An expensive new report by Kidder, Peabody & Co., a Wall Street investment banking firm, summarizes the status of resource recovery (trash to steam) plants in the U.S. as of February, 1988. A letter from Kidder promoting the report begins, "No one wants one in his own backyard, but many of us need and will eventually have one pretty close to home. Despite environmental concerns, resource recovery plants will continue to be built."

However, a summary sheet accompanying the letter reveals that grass roots opposition to trash-to-steam is making a real difference, and fewer plants are being planned and built than was true a year ago.

In 1987, 20,585 tons per day (tpd) of capacity was ordered, compared to 18,267 tpd in 1986. However, in 1987, 35,656 tpd of capacity was canceled. What do these big numbers mean? A VERY large plant is 3000 tons per day (tpd), and a large plant is 2000 tpd. Since 1987, the equivalent of 10 large plants were ordered but the equivalent of 18 large plants were canceled. (Please note that most trash-to-stream plants are smaller than 2000 tpd, so when we say "10 large plants were ordered," we mean the EQUIVALENT CAPACITY of 10 large plants was ordered--in reality, there were more likely 20 to 30 smaller plants ordered.)

In 1987 Kidder, Peabody identified 92,025 tpd of capacity in the planning stages, compared to 131,777 tpd of capacity Kidder had reported in the planning stages in 1986. In other words, in 1987, about 65% of the capacity was in the planning stages, but, in 1986, 65 large plants had been in the planning stages, so the future was looking dimmer in 1987 than it had looked in 1986.

Plants going on-line In 1987 totaled 11,607 tpd (about 6 large plants) compared to 5503 tpd capacity that went online in 1986 (about 3 large plants). Thus total U.S. capacity in 1987 went up to 30,094 tpd (the equivalent of about 25 large plants). Another 85,418 tpd (equivalent to 43 large plants) has been ordered and most are scheduled to be online by the end of 1991. Of this 85,418 planned, 41% (34,645 tpd) is under construction and the rest is in the permit/negotiation stage.

New orders for trash-to-steam plants in 1987 totaled 20,585 tpd compared to 18,267 tpd in 1986, so this looks like an increase. But it helps to know that 1985 orders totaled 41,846 tpd, so 1986 and 1987 both represent significant declines in new orders for the industry. The economics of trash-to-steam, the problems of ash disposal, and the opposition of citizens across the land are taking their toll on this industry.

Ogden Martin leads the industry by managing 20% of existing plants. Wheelabrator Environmental, a subsidiary of Wheelabrator Technologies (now a Waste Management, Inc. company) is second with 18% of the industry. Third place, with 8%, goes to American Ref-Fuel, a joint venture of Browning-Ferris Industries (BFI) and Air Products. Combustion Engineering is fourth with 7% followed by Westinghouse Electric with 5%. The remaining 42% of the business is split among 14 other, smaller firms.

Ogden Martin received 40% of all new orders in 1987 and Wheelabrator Environmental received 15%. In total, only 12 companies received new business in 1987.

Kidder, Peabody summarizes the industry's problems this way: "Community opposition remains a difficult and unpredictable risk to this business. Vehement opposition, motivated by the "NIMBY" syndrome ("Not in My Back Yard") has quashed numerous projects.... We believe public opposition will remain the toughest hurdle for this industry over the next several years.... However, the long-run outlook for the industry is positive as the population expands and the waste flow accumulates."

Kidder, Peabody is an 80%-owned subsidiary of General Electric, which is itself a minor participant in the resource recovery industry with 1,328 tpd installed capacity.

The Kidder, Peabody STATUS REPORT ON RESOURCE RECOVERY is based on surveys sent to all participants in the resource recovery industry during January and February, 1988; all responded.

The 27-page REPORT offers the following sorts of details on roughly 300 projects: project manager [what company is building the plant], customer, location, capacity, cost, status, date construction starts, operation date, type of burning, boiler manufacturer, turbine manufacturer and megawatts of electrical output. In addition, the report presents a partial list of units in the planning stages and a table of 1987 projects cancelled. It also contains a summary listing, 1983-1987, of all the projects managed by each player in the industry.

In addition to the STATUS REPORT, Kidder, Peabody is offering a computer printout on the 300 projects; their letter says the printout: "In many cases, you will find comments on financing, the likelihood or progress of construction, electrical output and plant technology as well.... You can also use it to determine the amount of waste in any region committed to resource recovery facilities."

Kidder believes that public acceptance of resource recovery hinges on two key items: air pollution emissions and ash handling. Once the government has established allowable air emissions and has set rules for handling ash, public opposition will diminish, Kidder believes.

KIDDER FAILS TO RECOGNIZE THIS INDUSTRY'S UNDERLYING DILEMMA, WHICH WILL KEEP THE INDUSTRY OFF BALANCE AND WILL CONTINUE TO FUEL CITIZEN OPPOSITION ALL ACROSS THE COUNTRY. PEOPLE DON'T WANT "RESOURCE RECOVERY" PLANTS PRECISELY BECAUSE THESE PLANTS DON'T RECOVER RESOURCES. THESE PLANTS ARE WASTEFUL AND EXPENSIVE, AND THEY DO NOT CAPTURE DANGEROUS MATERIALS FROM THE MUNICIPAL WASTE STREAM. THERE CAN NO SATISFACTORY SOLUTION TO THE NATION'S GARBAGE CRISIS SO LONG AS THE GARBAGE ITSELF REMAINS TOXIC AND DANGEROUS. UNTIL WE GET THE TOXICS OUT, LANDFILLING AND INCINERATION WILL BOTH CONTINUE TO BE UNACCEPTABLE TO THE HEALTH-CONSCIOUS PUBLIC

Kidder, Peabody is offering a package deal on the STATUS REPORT and the PRINTOUT: only $475 for the two of them, a saving of $125 over the individual prices of $250 for the REPORT and $350 for the PRINTOUT. Authors of the report are Robert McCoy, Jr. [phone (212) 510-3848] and Richard Sweetman, Jr. [phone: (212) 510-3896].

--Peter Montague

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Descriptor terms: incineration; msw; economics; ogden martin; wheelabrator; american ref-fuel; combustion engineering; westinghouse; citizen groups; incineration; waste disposal technologies; waste treatment technologies; nimby;