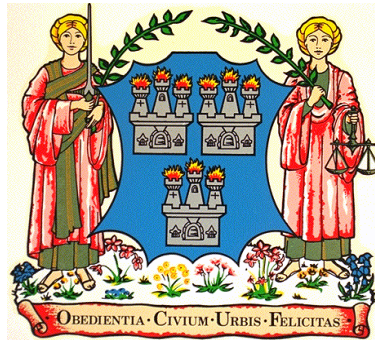


COMHAIRLE CATHRACH BHAILE ÁTHA CLIATH



**Miontuairiscí Chruinniú Speisialta a tionóladh ar 8 Meán Fómhair 2014 i Seomra na Comhairle, Halla na Cathrach, Cnoc Chorcaí ag 6.00 i.n. I Láthair an Leas tArdmheara Larry O'Toole sa chathaoir**

**Comhairleoir:**

Chris Andrews  
Catherine Ardagh  
Kieran Binchy  
Paddy Bourke  
Janice Boylan  
Tom Brabazon  
Claire Byrne  
Cathleen Carney Boud  
Brendan Carr  
Aine Clancy  
Anthony Connaghan  
David Costello  
Ciáran Cuffe  
Daithí De Róiste  
Daithí Doolan  
Pat Dunne  
Declan Flanagan  
Mannix Flynn  
Mary Freehill  
Gary Gannon

**Comhairleoir:**

Alison Gilliland  
Paul Hand  
Seán Haughey  
Deirdre Heney  
Jane Horgan-Jones  
Vincent Jackson  
Andrew Keegan  
Teresa Keegan  
Greg Kelly  
Frank Kennedy  
Dermot Lacey  
John Lyons  
Mícheál Mac Donncha  
Tina MacVeigh  
Ray McAdam  
Paul McAuliffe  
Paddy McCartan  
Ruairí McGinley  
Séamas McGrattan  
Ray McHugh

**Comhairleoir:**

Denise Mitchell  
Andrew Montague  
Rebecca Moynihan  
Emma Murphy  
Críona Ní Dhálaigh  
Michael O'Brien  
Jim O'Callaghan  
Kate O'Connell  
Damian O'Farrell  
Ciáran O'Moore  
Naoise Ó Muirí  
Larry O'Toole  
Cieran Perry  
Noeleen Reilly  
Nial Ring  
Éilis Ryan  
Paddy Smyth  
Sonya Stapleton

**Oifigigh**

Owen Keegan  
James Nolan  
Rose Kenny

Vincent Norton  
Karl Mitchell

Michael Phillips  
Sarah Scannell

Also present: Aidan Walsh (PwC)

1. The Deputy Lord Mayor opened the meeting and asked that the Council approve the attendance of Councillor Daithi Doolan, Chairman of the Local Community Development Committee at the Corporate Policy Group Meetings. This was agreed by the City Council. Councillor Daithí De Róiste said he was withdrawing from the meeting due to a possible conflict of interest having regard to his employment status in relation to the issue being discussed by Council. He then withdrew from the meeting.

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2. Report No. 265/2014 of the Chief Executive (*O. Keegan*) – Briefing note on proposed Dublin Waste to Energy (DWtE) Project and notification under Section 138 Local Government Act 2001 was moved by Councillor Ruairí McGinley and seconded by Councillor Deirdre Heney. The Chief Executive provided an overview on the proposal as outlined in reports circulated to the Members as follows:
  1. Briefing note of Chief Executive on proposed Dublin Waste to Energy (DWtE) Project and notification under Section 138 Local Government Act 2001.
  2. Cost Benefit Analysis on Dublin Waste to Energy (DWtE) Project prepared for the Dublin Authorities (PwC).
  3. Dublin Waste to Energy (DWtE) Waste Market Assessment (RPS).

The Chief Executive referred to his previous briefing of the Members in January 2014 when he detailed obstacles to the project proceeding including unresolved complaints to the European Commission on both procurement and state aid grounds and the fact that the National Development Finance Agency (NDFA) had not issued a “value for money” letter in respect of the project, which is a requirement for PPP Projects in Ireland. He confirmed that the various obstacles to the DWtE Project had now been overcome and that a decision must now be made on whether to proceed with the project or not. This decision is an executive decision for the Chief Executives of the four Dublin Local Authorities. He pointed out that the project will proceed if the revised project agreement and related agreements are signed by the four Dublin Local Authority Chief Executives and by Dublin Waste to Energy Limited (DWTEL), the PPP Partner. The Chief Executive outlined the origins of the project that can be traced back to 1996 and referred to two options:

Option 1: to abandon the project; and  
Option 2: to proceed with the project.

Option 1 would result in the Dublin Local Authorities having to accept a loss of the expenditure that has been incurred on the project (€97.4m gross or €85.3m net). In addition the Dublin Local Authorities would be liable for significant compensation payments to DWTEL in respect of the considerable costs they have incurred on the project. He pointed out that in the event of the project not proceeding, the total estimated cost of the Council’s share of the costs of €43.4m will have to be funded at the expense of other potential City Council capital projects. If Option 2 is accepted and the project proceeds, then under the revised project agreement, the full cost of constructing the facility estimated at about €500m will fall to DWTEL. The project agreement contains an Authority Contingent Obligation clause under which the Dublin Local Authorities will provide partial revenue support for first 15 years of operation of the plant in return for which they will share in the waste revenue stream, over a certain threshold, for fifteen years. The Council’s will also share in the energy revenue stream for the 45 year life of the project above a certain threshold. The Chief Executive referred to current national waste policy, the fact that sufficient residual municipal solid waste was available for the plant to operate at its contracted capacity and that the facility has the support of major operators in

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the service industry. The project will also generate significant employment, will make a major contribution to economic activity and generate significant tax revenue during both the construction and operating phases. The project will provide renewable energy and generate electricity sufficient to meet equivalent needs of over 80,000 homes annually thereby helping to achieve the country's renewable energy goals. The project will also finance a substantial community gain fund over €10m during the construction period and up to €6m per annum during the operation phase. He detailed the cost benefit analysis of the two options and pointed out that the NDFA following a detailed assessment had issued a "value for money" letter in respect of the project on 4<sup>th</sup> September 2014. The European Commission in its determination of the state aid complaint confirmed that the Dublin Local Authorities participation in the project is on terms that would be acceptable to a private investor operating in a market economy. As the project has been ongoing for some considerable time, a decision must now be made to proceed with the project or to abandon it. The Chief Executive said that he believed on the basis of the data available to him, the analysis of the various experts and the reassurance provided by the independent NDFA that a decision to proceed with the project at this stage represents both "value for money" and by far the best option for the Dublin Local Authorities.

Mr. Aidan Walsh, PwC, focussed on the cost benefit analysis and the financing of the project. He pointed out to the Members that no capital was required from the local authorities to construct the plant. He also referred to the contingent liability which will apply for the first 15 years of operation in the event that waste revenue is less than expected. However, he also detailed significant financial returns available for giving support to the project. If the project does not go ahead, an immediate loss will be realised and waste targets will not be met.

In conclusion, Mr. Walsh said that the potential financial returns that Dublin Local Authorities can expect to realise are high and the estimated financial risks of entering the revised project agreement are low. Thus it seems to be rational for the Dublin authorities to proceed to complete the re-negotiated project agreement.

The Deputy Lord Mayor then advised the Council of the provisions of the Waste Management Amendment Act 2001 which prohibit the Council from giving a direction by resolution to the Chief Executive that works cannot proceed. He then opened the report for discussion.

Members referred to the Council's earlier decisions against the project being ignored and the lack of democracy. They referred to the attack on democracy and the strong opposition to the project from residents in Ringsend. The location was referred to as being the wrong choice. Concerns were also expressed on the assumptions used in the financial analysis. Reference was made to the project being no longer viable and that waste would need to be sourced outside Dublin to meet the targets set. Reference was made to the taking away of powers from the Council and giving them to the Chief Executive. It was also pointed out that future waste policy may affect the future viability of the plant and a preference was expressed for smaller incinerators to be located around the city. The following Councillors contributed to the debate: N. Ring, D. Lacey, P. McCartan, D. Doolan, C. Andrews, F. Kennedy, R. McGinley, P. Bourke, M. O'Brien, T. MacVeigh, M. Mac Donncha, N. Reilly, D. Heney, C.

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Cuffe, N. Ó Muirí, P. Dunne, K. Binchy, J. Lyons, J. O'Callaghan, B. Carr, J. Boylan, G. Kelly, V. Jackson, M. Flynn, A. Keegan, S. Stapleton, T. Brabazon, M. Freehill.

The Chief Executive in responding to the debate said that no decision had yet been made and that at no time had he indicated a decision. What he has given the Council is his view. The four Dublin Chief Executives will meet and only then will a decision be made. He has given the fullest amount of information and said that we are where we are and a decision must now be made in conjunction with the other Dublin Local Authority Chief Executives. James Nolan responding to some of the questions clarified the position in relation to the community gain based on 3% of the capital value of the project. He said that the €10m mentioned was an estimate of the amount payable. He also pointed out that in the Eastern and Midlands region 63% of waste was sent to landfill based on 2012 figures that are available. He referred to developments in the UK where thermal treatment was the proven technology and 91% of projects underway at present were such projects. Residual waste, i.e. bottom ash is used as a resource for road construction. The Chief Executive confirmed his satisfaction with the deal as the best that can be obtained at this time. He also expressed his confidence in Covanta delivering on the project. Following a vote the Chief Executive's Report No. 265/2014 was rejected by the Council.

The following motion submitted by Councillor Daithí Doolan on behalf of the Sinn Féin Group was agreed by the City Council "Dublin City Council notes with concern the proposal to build a terminal treatment plant on the Poolbeg Peninsula. Reiterates our opposition to any incinerator being built in Dublin. Calls on the Minister for the Environment, Community and Local Government, Alan Kelly, T.D., to amend legislation to ensure waste management becomes a reserved power of local authorities".

The following motion proposed by Councillor Jim O'Callaghan and seconded by Councillor Frank Kennedy "In accordance with Section 139 of the Local Government Act, Dublin City Council directs the Chief Executive that the works notified in Report No. 265/2014 shall not proceed".  
The motion was put and carried.

The meeting concluded at 8.30 pm.

**Correct.**

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**LORD MAYOR**

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**MEETINGS ADMINISTRATOR**