

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RESOURCE RECOVERY PENSION PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>01/01/1993</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>COVANTA ENERGY SERVICES, INC.</u> <u>445 SOUTH STREET</u> <u>MORRISTOWN, NJ 07960-6454</u>	2b Employer Identification Number (EIN) <u>13-3560729</u> 2c Sponsor's telephone number <u>862-345-5000</u> 2d Business code (see instructions) <u>562000</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>CAROL EHM</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>CAROL EHM</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") COVANTA ENERGY SERVICES, INC. 445 SOUTH STREET MORRISTOWN, NJ 07960-6454	3b Administrator's EIN 13-3560729 3c Administrator's telephone number 862-345-5000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	773
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	622
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	116
d Subtotal. Add lines 6a , 6b , and 6c	6d	738
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	741
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	683
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2C 2G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan RESOURCE RECOVERY PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 COVANTA ENERGY SERVICES, INC.	D Employer Identification Number (EIN) 13-3560729	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

T. ROWE PRICE

52-1309931

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	2000	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan RESOURCE RECOVERY PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 COVANTA ENERGY SERVICES, INC.	D Employer Identification Number (EIN) 13-3560729	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	TRP STABLE VALUE FUND SCH E
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b Name of sponsor of entity listed in (a):	T. ROWE PRICE TRUST COMPANY
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c EIN-PN	52-1309931-001	d Entity code	C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	284498
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
---	--

c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
---	--

c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>RESOURCE RECOVERY PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COVANTA ENERGY SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3560729</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)	179668	284498
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	7160542	6724146
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7340210	7008644

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	2000	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2000	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7338210	7008644
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	123817	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		123817
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-162183	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		-162183
(6) Net investment gain (loss) from common/collective trusts	2b(6)		3428
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		4745
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-30193

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	298617	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		298617
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	756	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		756
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		299373

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-329566
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>RESOURCE RECOVERY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COVANTA ENERGY SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3560729</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>52-1481931</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	<u>0</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>0</u>	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	<u>0</u>	
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

Resource Recovery Pension Plan
December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP



Resource Recovery Pension Plan
Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

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Report of Independent Auditors

The Plan Administrator
Resource Recovery Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Resource Recovery Pension Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 6, which was certified by T. Rowe Price Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

September 21, 2012

Resource Recovery Pension Plan

Statements of Net Assets Available for Benefits

	December 31	
	2011	2010
Assets		
Investments – at fair value:		
Mutual funds	\$ 6,724,146	\$ 7,160,542
Common collective trust	284,498	179,668
Total investments	7,008,644	7,340,210
Liabilities		
Accrued expenses	–	2,000
Total liabilities	–	2,000
Net assets reflecting investments at fair value	7,008,644	7,338,210
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(9,922)	(6,494)
Net assets available for benefits	\$ 6,998,722	\$ 7,331,716

See accompanying notes.

Resource Recovery Pension Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2011

Additions:	
Dividend income	\$ 123,817
Total additions	<u>123,817</u>
Deductions:	
Benefits paid to participants	298,617
Administrative expenses	<u>756</u>
Total deductions	<u>299,373</u>
Net realized and unrealized depreciation in fair value of investments – mutual funds	<u>(157,438)</u>
Net decrease	<u>(332,994)</u>
Net assets available for benefits, beginning of year	<u>7,331,716</u>
Net assets available for benefits, end of year	<u><u>\$ 6,998,722</u></u>

See accompanying notes.

Resource Recovery Pension Plan

Notes to Financial Statements

December 31, 2011

1. Description of Plan

The Resource Recovery Pension Plan (“Plan”) became effective as of January 1, 1993 and was amended effective December 31, 2001 to freeze the Plan and discontinue employer contributions and to cease further accrual of benefits. Covanta Energy Services, Inc. (“Covanta Energy” or the “Company”) is the Plan sponsor. The Plan is a defined contribution plan covering all employees of Ogden Resource Recovery Support Services, Inc. who had completed at least 1,000 hours of service. Effective December 31, 2001, no further employees were permitted to participate in the Plan. The Administrative and Investment Committees of the Board of Directors of the Company (“Plan Administrator”) control and manage the operation and administration of the Plan. T. Rowe Price Trust Company is the Trustee for the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is periodically amended to comply with applicable laws.

Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

Employer Contributions

Contributions made to the Plan for the benefit of participants or their beneficiaries are to be invested at the election of the participant. Effective December 31, 2001, the Plan was frozen and employer contributions were discontinued.

Payment of Benefits

Upon retirement, death, or disability, the participant is entitled to receive benefits equal to the value of the vested portion of the participant’s account by the distribution method elected by the participant. Benefits under the Plan are payable in various forms of annuities, as well as a lump-sum payment option.

If the value of a participant’s vested account balance is \$1,000 or less at the time of termination of employment, the benefit will be paid as a lump-sum payment. If the value of a participant’s vested account balance is greater than \$1,000, but less than \$5,000, and if the participant does not elect to have the distribution paid to him directly or to an eligible retirement plan in a direct rollover, then the Plan will distribute the participant’s account in a direct rollover to an IRA designated by the Plan Administrator. If the value of the participant’s vested account balance is greater than \$5,000, a distribution shall be made at the election of the participant.

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Upon termination for reasons other than normal retirement, death, or disability, the participant is entitled to receive a benefit equal to the value of the participant's vested interest in the contributions made to the participant's account by the distribution method elected by the participant. Any excess of the amount credited to the participant's employer contribution account over the participant's vested interest is forfeited.

Vesting

Eligible employees who were participants on January 31, 1993 were 100% vested in their accounts. Eligible employees who became participants in the Plan after January 31, 1993 and prior to the December 31, 2001 freeze date, vest based on years of service and become fully vested after five years of service. The amount of any forfeitures shall be used to offset administration expenses of the Plan. During 2011 and 2010, the Company utilized forfeited amounts totaling approximately \$2,000 and \$60,000, respectively, to offset administrative expenses. At December 31, 2011 and 2010, the balance of unused forfeited amounts available to offset future administrative expenses totaled approximately \$0 and \$2,000, respectively.

Plan Termination

The Board or the Administrative Committee may amend the Plan at any time. No such amendment, however, may have the effect of diverting to the Company any part of the Plan or of diverting any part of the Plan for any purpose other than for the exclusive benefit of the participants. Likewise, an amendment may not reduce the interest of any participant in the Plan accrued prior to such amendment. The Board or the Administrative Committee may, however, make such amendments to the extent required to conform the Plan to ERISA or to maintain the continued qualified status of the Plan under the Section 401(a) of the Internal Revenue Code (the "Code").

The Company expects to continue the Plan indefinitely, but reserves the right to amend or terminate the Plan at any time. In the event of the Plan's termination, the interest of each participant to benefits accrued to such date, to the extent then funded, is fully vested and nonforfeitable.

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on an accrual basis of accounting.

Investment Valuation

All investments are carried at fair value. Refer to Note 5 for further details related to the Plan's valuation methods.

Income Recognition

Unrealized gains and losses are determined based on the fair value of assets at the beginning and end of the Plan year. Realized gains and losses are determined based on the carrying value and sales price of the assets at the trade date. Purchases and sales of securities are recorded on a trade date basis. Dividend income is accounted for on the ex-dividend date.

Administrative Expenses

Any administrative expenses which are not paid directly from Plan assets are paid by the Plan sponsor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results may differ from those estimates.

Subsequent Events

The Company has evaluated all significant activities through September 21, 2012 (the date these financial statements were available to be issued) and concluded that no additional subsequent events occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

3. Recent Accounting Pronouncements

Fair Value Disclosures. In May 2011, the Financial Accounting Standards (“FASB”) issued guidance related to amendments to disclosures about fair value measurements. The amendments in this update improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management does not expect this accounting standard to have a material impact on the Plan’s financial statements.

4. Fully Benefit-Responsive Investment Contracts

The Plan’s Common Collective Trust consists of the T. Rowe Price Stable Value Fund (the “Fund”), which invests primarily in Guaranteed Investment Contracts, Bank Investment Contracts, and Structured Investment Contracts. These are investment contracts in which the Fund owns the underlying assets and purchases fully benefit-responsive wrapper contracts from independent third parties that provide market value and cash flow risk protection. The Fund is designed to deliver safety and stability by preserving principal and accumulating earnings. There are currently no redemption restrictions for investments in the Fund.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the Plan’s investment in the Fund as well as the difference between the Plan’s investment at fair value and the Plan’s investment at contract value.

The fair value of the Fund’s underlying assets are generally determined by discounting the scheduled future payments required under the contract based on current yields of similar instruments with comparable duration. The fair values of the wrapper contracts are based upon their estimated replacement cost based on issuer quotes. The contract values of the Fund’s investment contracts’ represent the sum of participants’ contributions, gains and losses on the underlying assets, participants’ withdrawals and administrative expenses.

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements

Fair value is the exit price associated with the sale of an asset or transfer of a liability in an orderly transaction between market participants at the measurement date. The following sets forth the types of assets measured at fair value and a brief description of the evaluation technique for each asset type:

Position Description	Types of Investments	Valuation Technique
Mutual Funds	Funds that invest in a diversified portfolio consisting of stocks, bonds, short-term money market instruments and/or other securities.	Priced at fund Net Asset Value (NAV) per share. Each fund's NAV is based on quoted current market prices.
Common Collective Trust	Guaranteed Investment Contracts, Bank Investment Contracts, and Structured Investment Contracts.	The fair value of the Stable Value Fund is based on the fair value of the underlying investments. Refer to Note 4.

Assets recorded at fair value are categorized using defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to valuation of an asset: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable inputs available at the measurement date, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

The following table represents the Plan's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2011 and 2010:

Fair Value Measurements as of December 31, 2011					
	Total	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual Funds:					
Domestic Stock Fund	\$ 4,001,789	\$ 4,001,789	\$ —	\$ —	
International Stock Fund	77,635	77,635	—	—	
Domestic Bond Fund	97,263	97,263	—	—	
Retirement Fund	724,772	724,772	—	—	
Asset Allocation Fund	1,097,277	1,097,277	—	—	
Money Market Fund	725,410	725,410	—	—	
Total Mutual Funds	6,724,146	6,724,146	—	—	
Common Collective Trust	284,498	—	284,498	—	
Total Investments, at fair value	\$ 7,008,644	\$ 6,724,146	\$ 284,498	\$ —	

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

Fair Value Measurements as of December 31, 2010					
	Total	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual Funds:					
Domestic Stock Fund	\$ 4,365,181	\$ 4,365,181	\$ —	\$ —	
International Stock Fund	107,784	107,784	—	—	
Domestic Bond Fund	98,146	98,146	—	—	
Retirement Fund	730,472	730,472	—	—	
Asset Allocation Fund	1,050,109	1,050,109	—	—	
Money Market Fund	808,850	808,850	—	—	
Total Mutual Funds	7,160,542	7,160,542	—	—	
Common Collective Trust	179,668	—	179,668	—	
Total Investments, at fair value	\$ 7,340,210	\$ 7,160,542	\$ 179,668	\$ —	

6. Investments

The fair value of the individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	December 31 2011	2010
Science & Technology Fund	\$ 1,597,790	\$ 1,831,955
Equity Income Fund	1,060,969	1,130,958
Spectrum Income Fund	1,069,265	1,025,124
Blue Chip Growth Fund	878,613	932,855
Vanguard Prime Money Market Institutional Fund	725,143	808,321

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and the adjustment from fair value to contract value for fully benefit-responsive investment contracts at December 31, 2011 and 2010, and net realized and unrealized depreciation in fair value of investments, other income, and dividend income for the year ended December 31, 2011, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the Trustee.

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

7. Tax Status

The Plan received a determination letter from the IRS dated September 27, 2010 stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

9. Reconciliation to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 6,998,722	\$ 7,331,716
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	9,922	6,494
Net assets available for benefits per the Form 5500	<u>\$ 7,008,644</u>	<u>\$ 7,338,210</u>

Resource Recovery Pension Plan

Notes to Financial Statements (continued)

10. Related Party Transactions

The Plan's investments in certain mutual funds and the common collective trust managed by the trustee are considered to be party-in-interest transactions. However, they are exempt from the prohibited transaction rules under ERISA.

Supplemental Schedule

Resource Recovery Pension Plan

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2011

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Current Value
Mutual funds:		
Retirement 2010 Fund*	2,904 shares	\$ 43,615
Retirement 2015 Fund*	7,598 shares	87,984
Retirement 2020 Fund*	10,064 shares	160,113
Retirement 2025 Fund*	13,729 shares	158,986
Retirement 2030 Fund*	4,352 shares	71,983
Retirement 2035 Fund*	3,852 shares	44,918
Retirement 2040 Fund*	2,267 shares	37,559
Retirement 2045 Fund*	4,502 shares	49,660
Retirement 2050 Fund*	2,630 shares	24,324
Retirement 2055 Fund*	3,251 shares	29,714
Fidelity Contrafund	1,593 shares	107,453
Fidelity Spartan U.S. Bond Index Inv	6,435 shares	75,808
Retirement Income Fund*	1,229 shares	15,916
U.S. Treasury Money Fund*	267 shares	267
Fidelity Diversified International	3,042 shares	77,635
Perkins Mid Cap Value Fund	1,966 shares	39,692
New Horizons Fund*	2,797 shares	86,789
Small-Cap Value Fund*	2,422 shares	83,527
Mid-Cap Growth Fund*	2,237 shares	117,947
Balanced Fund*	1,479 shares	28,012
Science & Technology Fund*	62,389 shares	1,597,790
Equity Income Fund*	46,009 shares	1,060,969
Spectrum Income Fund*	86,862 shares	1,069,265
Blue Chip Growth Fund*	22,733 shares	878,613
Vanguard Prime Money Market Institutional Fund	725,143 shares	725,143
Vanguard Institutional Index Fund	214 shares	24,617
Neuberger Berman Socially Responsive Fund	178 shares	4,392
Calvert Bond Portfolio I	1,359 shares	21,455
		<u>6,724,146</u>
Common collective trust:		
TRP Stable Value Fund Sch E*	274,576 shares	<u>284,498</u>
Total assets		<u>\$ 7,008,644</u>

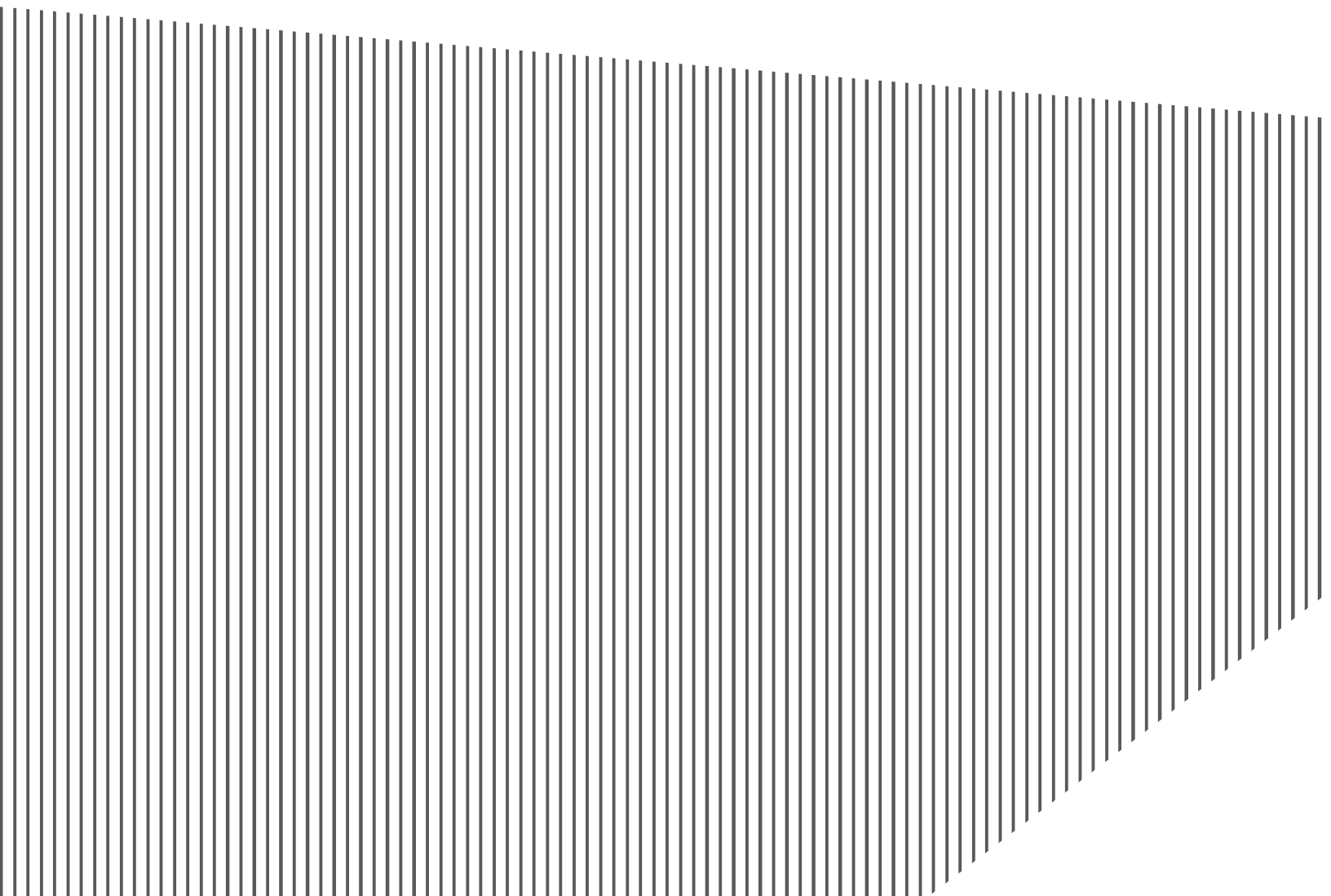
* Represents a party-in-interest to the Plan.

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Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Resource Recovery Pension Plan

EIN: 13-3560729

Plan Sponsor's Name Covanta Energy Services, Inc.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	RETIREMENT 2010 FUND	MUTUAL FUND	44,814	43,615
	FIDELITY CONTRAFUND	MUTUAL FUND	96,464	107,453
*	RETIREMENT 2020 FUND	MUTUAL FUND	162,582	160,113
*	RETIREMENT 2055 FUND	MUTUAL FUND	22,501	29,714
*	RETIREMENT 2015 FUND	MUTUAL FUND	79,772	87,984
*	RETIREMENT 2025 FUND	MUTUAL FUND	158,062	158,986
*	RETIREMENT 2035 FUND	MUTUAL FUND	40,947	44,918

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Resource Recovery Pension Plan

EIN: 13-3560729

Plan Sponsor's Name Covanta Energy Services, Inc.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	RETIREMENT 2045 FUND	MUTUAL FUND	53,868	49,660
*	RETIREMENT 2030 FUND	MUTUAL FUND	74,053	71,983
*	RETIREMENT 2050 FUND	MUTUAL FUND	23,544	24,324
*	U.S. TREASURY MONEY FUND	MUTUAL FUND	267	267
*	RETIREMENT 2040 FUND	MUTUAL FUND	38,175	37,559
	FIDELITY SPARTAN US BOND INDEX	MUTUAL FUND	72,193	75,808
*	TRP STABLE VALUE FUND SCH E	COMMON COLLECTIVE TRUST	274,575	284,498

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Resource Recovery Pension Plan

EIN: 13-3560729

Plan Sponsor's Name Covanta Energy Services, Inc.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	RETIREMENT INCOME FUND	MUTUAL FUND	15,924	15,916
	FIDELITY DIVERSIFIED INTL	MUTUAL FUND	105,436	77,635
	PERKINS MID-CAP VALUE FUND	MUTUAL FUND	42,684	39,692
	VANGUARD PRIME MONEY MKT INSTL FUND	MUTUAL FUND	725,142	725,143
*	NEW HORIZONS FUND	MUTUAL FUND	84,276	86,789
*	SMALL-CAP VALUE FUND	MUTUAL FUND	83,670	83,527
	N & B SOCIALLY RESPONSIVE FUND	MUTUAL FUND	3,913	4,392

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Resource Recovery Pension Plan

EIN: 13-3560729

Plan Sponsor's Name Covanta Energy Services, Inc.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	VANGUARD INSTITUTIONAL INDEX FUND	MUTUAL FUND	20,802	24,617
*	SCIENCE & TECHNOLOGY FUND	MUTUAL FUND	1,869,277	1,597,790
*	MID-CAP GROWTH FUND	MUTUAL FUND	119,215	117,947
*	BALANCED FUND	MUTUAL FUND	27,801	28,012
*	EQUITY INCOME FUND	MUTUAL FUND	1,084,622	1,060,969
*	SPECTRUM INCOME FUND	MUTUAL FUND	1,023,588	1,069,265
*	BLUE CHIP GROWTH FUND	MUTUAL FUND	744,280	878,613

Plan Name	Resource Recovery Pension Plan	EIN:	13-3560729
Plan Sponsor's Name	Covanta Energy Services, Inc.	PN:	002

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