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 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
COVANTA ENERGY PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1989

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

COVANTA PROJECTS, INC.

445 SOUTH STREET
MORRISTOWN, NJ 07960-6454

2b Employer Identification Number (EIN) 13-3213657

2c Sponsor's telephone number 862-345-5000

2d Business code (see instructions) 561790

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	Filed with authorized/valid electronic signature.	10/10/2012	CAROL EHM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2012	CAROL EHM
	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

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
COVANTA PROJECTS, INC.

445 SOUTH STREET
MORRISTOWN, NJ 07960-6454

3b Administrator's EIN
13-3213657

3c Administrator's telephone number
862-345-5000

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

5	Total number of participants at the beginning of the plan year	**5**	1860
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**	929
b	Retired or separated participants receiving benefits	**6b**	198
c	Other retired or separated participants entitled to future benefits	**6c**	711
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1838
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	14
f	Total. Add lines **6d** and **6e**	**6f**	1852
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
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**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 1I 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)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
COVANTA ENERGY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
COVANTA PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
22-1211670	68241	030104		01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	**4**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	2180728

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	**6b**	
c	Premiums due but unpaid at the end of the year	**6c**	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	**6d**	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6) Total additions			**7c(6)**	
d	Total of balance and additions (add **b** and **c(6)**).			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract **e(5)** from **d**)			**7f**	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
COVANTA ENERGY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
COVANTA PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		78036352
b	Actuarial value	**2b**		78036352
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	180	13972174
b	For terminated vested participants	**3b**	689	27729715
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		31512913
	(3) Total active	**3c(3)**	991	31512913
d	Total	**3d**	1860	73214802
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.05 %
6	Target normal cost	**6**		250000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	10/05/2012
Signature of actuary	Date
GAMZON, JOSEPH	11-06924
Type or print name of actuary	Most recent enrollment number
TOWERS WATSON DELAWARE INC.	212-309-3570
Firm name	Telephone number (including area code)
335 MADISON AVENUE NEW YORK, NY 10017	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	12905003	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	475000	0
9	Amount remaining (line 7 minus line 8)	12430003	0
10	Interest on line 9 using prior year's actual return of 12.78%	1588554	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		4709241
b	Interest on (a) using prior year's effective rate of 6.65 % except as otherwise provided (see instructions)		342282
c	Total available at beginning of current plan year to add to prefunding balance		5051523
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	14018557	0

Part III Funding percentages

14	Funding target attainment percentage	14	87.43 %
15	Adjusted funding target attainment percentage	15	106.58 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.94 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
2.94%	5.82%	6.46 %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b** 0

22 Weighted average retirement age **22** 62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)..... **31a** 250000

b Excess assets, if applicable, but not greater than 31a **31b** 0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)... **34** 250000

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	250000	0	250000

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) **38a** 0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

40 Unpaid minimum required contributions for all years..... **40** 0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ..... ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ..... ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment **42**

43 Excess installment acceleration amount to be carried over to future plan years **43**

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
COVANTA ENERGY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
COVANTA PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

Part I Service Provider Information (see instructions)

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).. . . . . [X] 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

PRUDENTIAL INSURANCE CO.

22-1211670

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

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

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)

PRUDENTIAL INSURANCE CO.

22-1211670

(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	21570	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

TOWERS WATSON DELAWARE INC.

53-0181291

(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?
11	NONE	457225	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

SMITH GAMBRELL AND RUSSELL LLP

58-0967450

(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?
29	NONE	29872	Yes [ ] No [X]	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)

ERNST & YOUNG LLP

34-6565596

(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?
10	NONE	32000	Yes [ ] No [X]	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.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
COVANTA ENERGY 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 PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

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)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRU INFLATION PROTECTED SEC

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

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)
23-6994310-121	C	202872

a Name of MTIA, CCT, PSA, or 103-12 IE: PRU U.S. LONG DURATION CORP BOND

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

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)
23-6994310-159	C	56942046

a Name of MTIA, CCT, PSA, or 103-12 IE: PRUDENTIAL CORE BOND FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

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)
23-6994310-125	C	16232945

a Name of MTIA, CCT, PSA, or 103-12 IE: PRUDENTIAL CORE CONSERV BOND

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

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)
23-6994310-126	C	5940183

a Name of MTIA, CCT, PSA, or 103-12 IE: PRUDENTIAL HIGH YIELD FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

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)
23-6994310-127	C	5669153

a Name of MTIA, CCT, PSA, or 103-12 IE: JENNISON STOCK

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

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)
22-1211670-006	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: MIDCAP QUANT. CORE EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

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)
22-1211670-010	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRISA

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-038	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRISA II

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-039	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIVEST

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-020	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: QUANTITATIVE CORE EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-004	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: SHORT-TERM FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-044	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2180728

a Name of MTIA, CCT, PSA, or 103-12 IE: VALUE EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL INSURANCE CO.

c EIN-PN 22-1211670-009	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: JENNISON U.S. SMALL CAP EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

c EIN-PN 23-6994310-046	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: MERCATOR INTERNATIONAL EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

c EIN-PN 23-6994310-041	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: QMA EMERGING MARKETS EQUITY

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

c EIN-PN 23-6994310-119	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: QMA INST. INTERNATIONAL EQ-NQ

b Name of sponsor of entity listed in (a): PRUDENTIAL TRUST CO.

c EIN-PN 52-1679020-120	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.**

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
COVANTA ENERGY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
COVANTA PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

Part I Asset and Liability Statement

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) Beginning of Year	(b) End of Year
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)	37384370	84987199
(10) Value of interest in pooled separate accounts	1c(10)	40651982	2180728
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	78036352	87167927
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	41344	144695
k Total liabilities (add all amounts in lines 1g through1j)	1k	41344	144695
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	77995008	87023232

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)	18	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		18
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)	3426581	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		3426581
(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)	-591842	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-591842
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1564054
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		6759461
(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)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		11158272
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1418980	
(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)		1418980
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)	711068	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		711068
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2130048
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		9028224
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) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] 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.) **4a**		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.) **4b**		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.) **4c**		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.) **4d**		X	
e	Was this plan covered by a fidelity bond? **4e**	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? **4f**		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? **4g**		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? **4h**		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.) **4i**	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.) **4j**	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? **4k**		X	
l	Has the plan failed to provide any benefit when due under the plan? **4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) **4m**		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 [X] **Yes** [ ] **No** **Amount:** 0

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.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
COVANTA ENERGY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
COVANTA PROJECTS, INC.

D Employer Identification Number (EIN)
13-3213657

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** 0

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): _____ _____

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** 15

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

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**

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

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**

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: 51% Investment-Grade Debt: 34% High-Yield Debt: 12% Real Estate: 3% Other: 0%

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 Schedules

Covanta Energy Pension Plan
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

Ernst & Young

Covanta Energy Pension Plan

Financial Statements
and Supplemental Schedules

December 31, 2011 and 2010

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Report of Independent Auditors

The Plan Administrator
Covanta Energy Pension Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Covanta Energy Pension Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedules of assets (held at end of year) as of December 31, 2011, and reportable transactions for the year then ended. These financial statements and supplemental schedules 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 5, which was certified by Prudential Insurance Company of America, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 years then ended, 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 schedules as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements, but are 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 schedules, 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.

As described in Note 1 to the financial statements, the Board of Directors of Covanta Projects Inc., the Plan's sponsor, voted on August 10, 2011 to terminate the Plan, effective August 15, 2011. As a result, the plan has changed its basis of accounting used to determine the amounts at which the accumulated benefit information are stated, from the going-concern basis used in presenting the 2010 financial statements to the liquidation basis used in presenting the 2011 financial statements.

Ernst & Young LLP

October 5, 2012

A member firm of Ernst & Young Global Limited

Covanta Energy Pension Plan

Statements of Net Assets Available for Benefits

	December 31, 2011	2010
Assets		
Investments, at fair value:		
Collective trusts	**$ 84,987,199**	$ 37,384,370
Pooled separate accounts	**2,180,728**	40,651,982
Total investments, at fair value	**87,167,927**	78,036,352
Liabilities		
Accrued expenses	**144,695**	41,344
Net assets available for benefits	**$ 87,023,232**	$ 77,995,008

See accompanying notes.

Covanta Energy Pension Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2011	2010
Additions:		
Employer contributions	**$ –**	$ 5,000,000
Interest and dividend income	**3,426,581**	1,752,281
Other	**18**	714
Total additions	**3,426,599**	6,752,995
Deductions:		
Participants' benefits	**1,418,980**	1,165,658
Administrative expenses	**711,068**	468,472
Total deductions	**2,130,048**	1,634,130
Net realized and unrealized appreciation in fair value of investments:		
Collective trusts	**5,798,370**	1,716,503
Pooled separate accounts	**1,933,303**	4,767,903
Total net realized and unrealized appreciation in fair value of investments	**7,731,673**	6,484,406
Net increase	**9,028,224**	11,603,271
Net assets available for benefits – beginning of year	**77,995,008**	66,391,737
Net assets available for benefits – end of year	**$ 87,023,232**	$ 77,995,008

See accompanying notes.

Covanta Energy Pension Plan

Notes to Financial Statements

December 31, 2011

1. Description of Plan

The Covanta Energy Pension Plan (the "Plan") became effective as of January 1, 1989 and was amended and restated effective January 1, 2007. Covanta Projects, Inc. ("Covanta Projects" or the "Company") is the Plan sponsor. The Plan is a defined benefit plan covering all eligible employees of the Company. The Administrative and Investment Committees of the Board of Directors of the Company control and manage the operation and administration of 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.

The Company approved a plan amendment to terminate the Plan, effective August 15, 2011. Refer to Plan Termination below for additional details.

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

Plan Frozen

Effective December 31, 2005, the Company froze the Plan. All active employees who were eligible participants in the Plan (i.e., employed prior to December 1, 2004 and met eligibility requirements) as of December 31, 2005 became 100% vested in their retirement benefit accrued under the Plan as of December 31, 2005 and have a non-forfeitable right to such benefit. Accrual of credited service under the Plan was frozen as of December 31, 2005 and does not include Years of Service earned on or after January 1, 2006. Effective January 1, 2006, no new or re-employed, non-vested employee was permitted to commence or recommence participation in the Plan. Effective January 1, 2008, no former employee, vested or non-vested, could recommence participation in the Plan. Effective January 1, 2010, the Plan was amended whereby an eligible Participant's final average compensation used to calculate pension benefits excluded compensation received after December 31, 2009.

Plan Termination

The Company has the right to terminate the Plan subject to the provisions of ERISA. On June 10, 2011, the Company informed eligible participants of the Plan that the Plan will be terminated, subject to approval by the Internal Revenue Service ("IRS") with the intention of fully distributing plan assets as promptly as practicable following such approval. The Company approved the plan amendment to terminate the Plan, effective August 15, 2011. On August 25, 2011, the Company filed an application with the IRS for a determination with regard to the Plan's termination. Subject to the IRS' approval of the termination, the Company plans to offer

1. Description of Plan (continued)

three options for the payment of Plan benefits to participants if the value of the participant's benefit exceeds $5,000. At the election of the participant, the Company will distribute a lump sum payment that the participant can roll over to an Individual Retirement Account or another qualified plan, distribute a lump sum payment paid directly to the participant, or provide an annuity that the Company will purchase for the participant from an annuity provider selected by the Company. The benefit and payment options that a participant receives from the annuity provider will be the same benefit and options that were available under the Plan. If the value of the participant's benefit is $5,000 or less, the participant will automatically receive a lump sum payment. For participants who are already receiving a monthly annuity benefit, the participant can elect to continue their current monthly benefit, but have it paid by an annuity provider selected by the Company, or elect to receive the value of their remaining annuity in full as a lump sum payment. Any surplus assets of the Plan remaining after the payment of all expenses of final administration and after the satisfaction of all liabilities accrued to the termination date with respect to participants, beneficiaries, and surviving spouses under the Plan shall revert to the Company, subject to applicable taxes. In the event that Plan liabilities exceed Plan assets, the Company intends to fully fund the shortfall prior to the distribution of assets to participants.

Employer Contributions

The Plan's final minimum required contribution for the 2011 plan year was fully satisfied. Since the Company has begun the process to terminate the Plan, going forward the Plan will no longer be subject to minimum funding requirements under ERISA.

Benefits

Vested participants, as defined by the Plan, are entitled to pension benefits upon attainment of normal retirement age (65). Retirement benefits are paid to pensioners or beneficiaries in the form of a straight life annuity or various forms of joint and survivor annuities except as described in the following paragraph.

If the value of a participant's vested benefit is $5,000 or less at the time of termination of employment, the benefit will be paid as a lump-sum payment directly to him or as a direct rollover to an eligible retirement plan. If the value of a participant's vested benefit 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 his benefit in a direct rollover to an IRA designated by the Plan administrator.

1. Description of Plan (continued)

If the value of participant's vested account balance is greater than $5,000, benefit payments shall be made at the election of the participant, but in no event later than April 1 of the calendar year in which the participant attains age 70½, or retires, whichever is later.

Pre-retirement Survivor Annuity – If a participant who has earned a non-forfeitable right to any portion of their retirement benefit dies before commencement of payment of such benefit, such participant's surviving spouse or named beneficiary is entitled to receive benefit payments equal to 50% of the participant's benefit which would have been payable for the life of the participant under a 50% joint and survivor annuity.

Termination of Employment Prior to Retirement – If a vested participant's employment is terminated, as defined in the Plan, the participant becomes eligible to receive a retirement benefit at age sixty-five (65) or can elect early retirement and receive a reduced retirement benefit at age fifty-five (55) or thereafter, if the participant has five (5) years of credited service.

Vesting

All eligible participants actively employed on December 31, 2005 were automatically vested in the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Company approved a plan amendment to terminate the Plan, effective August 15, 2011. In accordance with accounting principles generally accepted in the United States, the Plan has changed its basis of accounting from the going concern basis for the 2010 financial statements to the liquidation basis for the 2011 financial statements. Under the liquidation basis of accounting, assets are stated at their estimated net realizable values and liabilities are stated at their settlement amount.

2. Summary of Significant Accounting Policies (continued)

This change in basis of accounting did not result in a change in the net assets available for benefits during 2011. At December 31, 2011, the fair value of investments equaled the net realizable value and accrued liabilities are stated at the settlement amount. However, the change did affect the way accumulated benefit information was determined as of December 31, 2011, as further discussed in Note 6 below.

Investment Valuation

All investments are carried at fair value. Refer to Note 4 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. Interest income is recorded on the accrual basis as earned.

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 schedules. Actual results may differ from those estimates.

Subsequent Event

The Company has evaluated all significant activities through October 5, 2012 (the date these financial statements were available to be issued) and concluded that no additional subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

3. Recent Accounting Pronouncements

Fair Value Disclosures. In May 2011, the Financial Accounting Standards Board ("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. 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 valuation technique for each asset type:

Type of Fund	Fund Names	Types of Investments/ Valuation Technique
Short-term Funds	Short-Term Fund	The fair value of the investments in this category have been estimated using the net asset value per share, based on the value of the underlying assets owned by the Fund less its liabilities, and this difference is then divided by the number of units outstanding. The underlying investments comprise primarily of short-term securities that are valued initially at cost and thereafter adjusted for amortization of any discount or premium, i.e. amortized cost, which approximates fair value. There are currently no redemption restrictions for investments in these funds.
U.S. Stock Funds	Jennison U.S. Small Cap Equity; Jennison Stock; MidCap Quantitative Core Equity; Quantitative Core Equity; Value Equity	The fair value of the investments in this category have been estimated using the net asset value per share, based on the value of the underlying assets owned by the Fund less its liabilities, and this difference is then divided by the number of units outstanding. The underlying investments comprise primarily of domestic equity securities for which the fair value of these securities are primarily based on observable inputs (priced using the closing price from the applicable exchange, such as the NYSE, NASDAQ, etc.). There are currently no redemption restrictions for investments in these funds.
International Stock Funds	QMA Inst. International Eq-NQ; QMA Emerging Markets Equity; Mercator International Equity	The fair value of the investments in this category have been estimated using the net asset value per share, based on the value of the underlying assets owned by the Fund less its liabilities, and this difference is then divided by the number of units outstanding. The underlying investments comprise primarily of international equity securities for which the fair value of these securities are primarily based on observable inputs (priced using the closing price from the local international stock exchange). There are currently no redemption restrictions for investments in these funds.

4. Fair Value Measurements (continued)

Type of Fund	Fund Names	Types of Investments/ Valuation Technique
U.S. Bond Funds	Prudential Core Conserv Bond; Prudential High Yield Fund; Prudential Inflation Protected Sec; Prudential Core Bond Fund; Prudential U.S. Long Duration Corp Bond; PRIVEST	The fair value of the investments in this category have been estimated using the net asset value per share, based on the value of the underlying assets owned by the Fund less its liabilities, and this difference is then divided by the number of units outstanding. The underlying investments comprise primarily of domestic fixed income securities that are priced by a third-party valuation service using inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads. Private placement U.S. Bond funds, such as PRIVEST use a discounted cash flow model, which utilizes a discount rate based on average spread surveys collected from private-market intermediaries as well as other factors associated with private placements. The Plan is required to provide a 30-day redemption notice to liquidate its entire share in the PRIVEST fund. For all other funds in this class, there are currently no redemption restrictions on these investments.
Real Estate Funds	PRISA; PRISA II	The fair value of the investments in this category have been estimated using the net asset value per share, based on the value of the underlying assets owned by the Fund less its liabilities, and this difference is then divided by the number of units outstanding. The underlying investments comprise primarily of real estate properties for which fair value is determined quarterly through an independent appraisal process utilizing traditional real estate valuation methodologies. The Plan is required to provide a 90-day redemption notice to liquidate its entire share in this fund.

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).

4. Fair Value Measurements (continued)

The following tables represent 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)
Collective trusts:				
U.S. Bond Fund	$ 84,987,199	$ –	$ 84,987,199	$ –
Total collective trusts	84,987,199	–	84,987,199	–
Pooled separate accounts:				
Short-Term Fund	2,180,728	–	2,180,728	–
Total pooled separate accounts	2,180,728	–	2,180,728	–
Total investments, at fair value	$ 87,167,927	$ –	$ 87,167,927	$ –

	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)
Collective trusts:				
U.S. Stock Fund	$ 901,410	$ –	$ 901,410	$ –
International Stock Fund	5,937,657	–	5,937,657	–
U.S. Bond Fund	30,545,303	–	30,545,303	–
Total collective trusts	37,384,370	–	37,384,370	–
Pooled separate accounts:				
U.S. Stock Fund	32,959,184	–	32,959,184	–
U.S. Bond Fund	5,342,480	–	5,342,480	–
Real Estate Fund	2,009,688	–	2,009,688	–
Short-Term Fund	340,630	–	340,630	–
Total pooled separate accounts	40,651,982	–	40,651,982	–
Total investments, at fair value	$ 78,036,352	$ –	$ 78,036,352	$ –

5. Investments

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	December 31, 2011	2010
PRIVEST	**$ ***	$ 5,342,480
Quantitative Core Equity	*	25,079,934
Prudential Core Bond Fund	**16,232,945**	14,417,410
Prudential U.S. Long Duration Corp Bond	**56,942,046**	5,122,988
Prudential High Yield Fund	**5,669,153**	9,696,429
Prudential Core Conserv Bond Fund	**5,940,183**	*

* This fund balance did not exceed 5% of net assets at the respective year-end.

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2011 and 2010, and net realized and unrealized appreciation in fair value of investments, interest and dividend income and administrative expenses for the years ended December 31, 2011 and 2010 were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee.

6. Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, or termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Towers Watson, the Plan's actuary, estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The present value of vested benefits under the Plan and the accrued benefits not vested was calculated by consulting actuaries using the Traditional Unit Credit Cost method of funding based on personnel information provided by the Company as of December 31, 2011 and 2010.

6. Accumulated Plan Benefits (continued)

Due to the termination of the Plan effective August 15, 2011, and the expected distribution of assets pending approval from the Pension Benefit Guaranty Corporation ("PBGC") and the IRS, the Plan is reporting December 31, 2011 liabilities on a liquidation basis, resulting in a discount rate of 4.30%. Benefits were valued assuming, upon liquidation, 80% of participants will elect to receive an immediate lump-sum distribution of their benefits and 20% will elect to receive an annuity.

During 2011, the actuarial present value of accumulated plan benefits increased $27,562,769 as a result of the changes in actuarial assumptions.

The actuarial present value of accumulated plan benefits is as follows:

	December 31, 2011	2010
Actuarial present value of accumulated plan benefits:		
Vested benefits	**$ 95,566,752**	$ 65,001,691
Non-vested benefits	–	76,392
Total actuarial present value of accumulated plan benefits	**$ 95,566,752**	$ 65,078,083

A summary of the changes in accumulated plan benefits is as follows:

	Year Ended December 31, 2011	2010
Actuarial present value of accumulated plan benefits, beginning of year	**$ 65,078,083**	$ 53,876,302
(Decrease) increase due to:		
Benefit payments	**(1,418,980)**	(1,165,658)
Actuarial losses	–	422,784
Interest due to the decrease in the discount period	**4,344,880**	3,997,005
Assumption changes	**27,562,769**	7,947,650
Actuarial present value of accumulated plan benefits, end of year	**$ 95,566,752**	$ 65,078,083

6. Accumulated Plan Benefits (continued)

Significant actuarial assumptions underlying the valuation are as follows:

	December 31, 2011	December 31, 2010
Discount rate	– 4.30% per annum	– 6.75% per annum
Life expectancy of participants	– Calculated using the RP2000 Combined Health Table for males and females, projected to 2015.	– Calculated using the RP2000 Combined Health Table for males and females, projected to 2015.
Retirement age	– Upon attainment of age sixty-five (65). An early retirement option is available for those participants who have terminated employment and who have attained age fifty-five (55) and completed five years of credited service.	– Upon attainment of age sixty-five (65). An early retirement option is available for those participants who have terminated employment and who have attained age fifty-five (55) and completed five years of credited service.

7. Tax Status

The Plan has received a determination letter from the IRS dated June 5, 2009, stating that the Plan is qualified under Section 401(a) of the Code and therefore the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended, is qualified and the related trust is tax-exempt. On August 25, 2011 the Company filed an application with the IRS for a determination with regard to the Plan's termination. Refer to Note 1 for additional details related to the Plan's termination.

7. Tax Status (continued)

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.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

9. Related Party Transactions

The Plan investments managed by the trustee are considered to be party-in-interest transactions. However, they are exempt from the prohibited transaction rules under ERISA.

Supplemental Schedules

EIN#: 13-3213657
Plan #: 002

Covanta Energy 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	Cost	Current Value
Collective trusts:			
Prudential High Yield Fund*	2,039,873 units	$ 5,646,379	$ 5,669,153
Prudential Core Conserv Bond Fund*	1,053,275 units	5,676,137	5,940,183
Prudential Inflation Protected Sec*	104,762 units	170,840	202,872
Prudential Core Bond Fund*	954,033 units	14,637,654	16,232,945
Prudential U.S. Long Duration Corp Bond *	44,281,360 units	52,018,455	56,942,046
		78,149,465	84,987,199
Pooled separate accounts:			
Short-Term Fund*	107,038 units	2,180,728	2,180,728
		2,180,728	2,180,728
		$ 80,330,193	$ 87,167,927

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

Covanta Energy Pension Plan

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2011

Identity of Party Involved	Description of Assets, Including Maturity Date, Rate of Interest, Par or Maturity Value	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain/ (Loss)
Category (iii) – Series of transactions in excess of 5% of Plan assets						
Quantitative Core Equity	Pooled Separate Accounts	$ –	$ 26,529,067	$ 21,169,592	$ 26,529,067	$ 5,359,475
PRIVEST	Pooled Separate Accounts	–	5,488,582	5,147,752	5,488,582	340,830
Prudential Core Conserv Bond	Collective Trust	25,000,000	–	25,000,000	25,000,000	–
Prudential Core Conserv Bond	Collective Trust	–	20,500,000	20,527,687	20,500,000	(27,687)
Prudential High Yield Fund	Collective Trust	400,000	–	400,000	400,000	–
Prudential High Yield Fund	Collective Trust	–	5,000,000	4,993,934	5,000,000	6,066
Prudential U.S. Long Duration Corp Bond	Collective Trust	45,220,000	–	45,220,000	45,220,000	–
Short-Term Fund	Pooled Separate Accounts	48,188,206	–	48,188,206	48,188,206	–
Short-Term Fund	Pooled Separate Accounts	–	44,500,000	44,500,000	44,500,000	–

There were no category (i), (ii), or (iv) reportable transactions during 2011.

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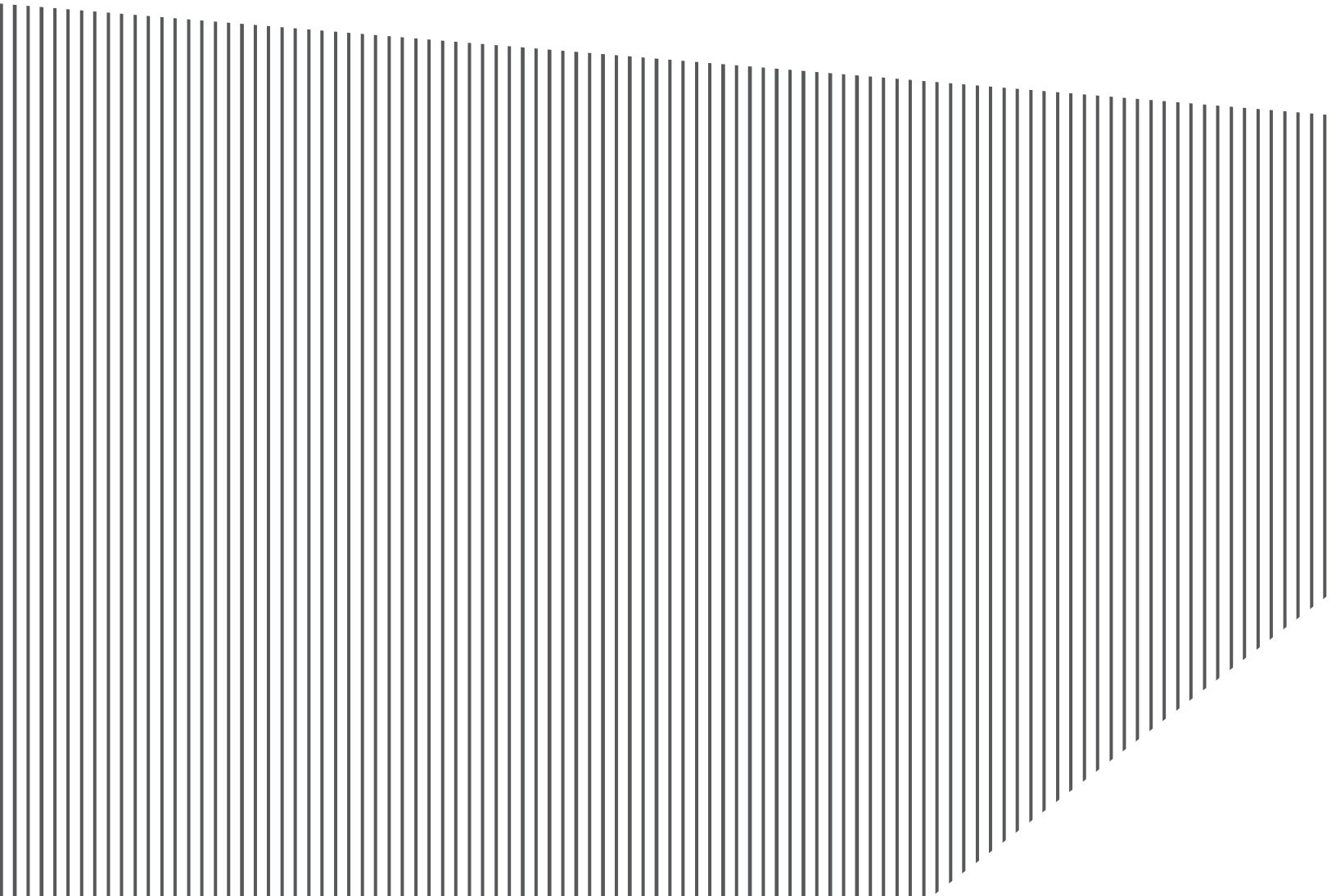

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002
Plan Name	Covanta Energy Pension Plan
Valuation Date	January 1, 2011
Enrolled Actuary	Joseph Gamzon
Enrollment Number	11-06924

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2011

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

COMPUTATION OF THE WEIGHTED AVERAGE RETIREMENT AGE

(A)	(B)	(C)	(D)	(E)	(F)	(G)
AGE	RATE	NUMBER OF ACTIVE LIVES AT AGE	NUMBER OF ACTIVE REMANING	TOTAL NUMBER OF ACTIVE LIVES	NUMBER RETIRING	NUMBER OF YEARS UNTIL RETIREMENT
				(C) + (D)	(B) X (E)	(F) X { (A) - 55 }
55	5%	726	0	726	36	0
56	6%	34	690	724	43	43
57	6%	26	680	706	42	85
58	8%	27	664	691	55	166
59	8%	28	636	664	53	212
60	10%	23	611	634	63	317
61	10%	19	570	589	59	354
62	25%	19	530	549	137	961
63	40%	12	412	424	170	1,357
64	40%	14	254	268	107	966
65	100%	25	161	186	186	1,860
Total					953	6,321

COMPUTATION OF THE AVERAGE WEIGHTED RETIREMENT AGE (NEAREST WHOLE AGE) :

= 55 + THE AVERAGE NUMBER OF YEARS UNTIL RETIREMENT (PAST AGE 55)

$$= 55 + \frac{\text{THE TOTAL NUMBER OF YEARS UNTIL RETIREMENT}}{\text{THE TOTAL NUMBER RETIRING}}$$

= 55 + (G TOTAL) / (F TOTAL)

= 55 + 6,321 / 953

= 62

Plan Name: Covanta Energy Pension Plan
EIN/PN: 13-3213657/002
Plan Sponsor: Covanta Projects, Inc.
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2011

The assumed administrative expenses decreased from $475,000 to $250,000 as a result of lower actual expenses during the 2010 plan year and the plan termination as of August 15, 2011.

Plan Name: Covanta Energy Pension Plan
EIN/PN: 13-3213657/002
Plan Sponsor: Covanta Projects, Inc.
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2011 [1]

Attained Age	Attained Years of Credited Service and Number													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	7	3	2	2	0	0	0	0	0	0	0	0	14
30-34	0	7	6	8	15	1	0	0	0	0	0	0	0	37
35-39	0	7	2	8	60	2	0	0	0	0	0	0	0	79
40-44	1	9	9	6	105	6	3	0	0	0	0	0	0	139
45-49	1	14	13	3	178	6	6	6	1	0	0	0	0	228
50-54	0	8	10	14	151	10	5	15	2	0	0	0	0	215
55-59	0	6	7	3	104	1	1	12	3	0	0	0	0	137
60-64	0	5	2	4	55	2	1	10	2	0	0	0	0	81
65-69	0	0	1	0	17	3	1	0	0	0	0	0	0	22
70 & over	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Total	2	63	53	48	687	31	17	44	8	0	0	0	0	953

Average:	Age	49	Number of Participants:	Fully vested	953	Males	854
	Service	5		Partially vested	0	Females	99

Census data as of January 1, 2011

[1] Excludes 38 participants who were rehired after the plan's close date of January 1, 2008.

Plan Name: Covanta Energy Pension Plan
EIN/PN: 13-3213657/002
Plan Sponsor: Covanta Projects, Inc.
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods
Plan Name: Covanta Energy Pension Plan

Plan Sponsor	Covanta Projects, Inc.	
EIN/PN	13-3213657/002	
Discount Rates	Current plan year PPA effective interest rate January 2011 3-segment rates	6.05%
	Prior plan year PPA effective interest rate January 2010 3-segment rates	6.65%
Compensation Increases	None.	
Future Increases in Social Security	None.	
Future Increases in Maximum Benefits and Plan Compensation Limitations	It is assumed that maximum benefit and plan compensation limitations under the Internal Revenue Code will not increase in the future.	
Assumed Cost-of-Living Adjustments	None.	
Administrative Expenses	The amount included this year for expected plan related administrative expenses is $ 250,000[1].	
Mortality	For all participants: the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.	

[1] The expected administrative expenses for 2011 are estimated from the previous year's actual expenses. The amount shown is prorated to reflect the plan's termination as of August 15, 2011.

SCHEDULE SB ATTACHMENTS

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002

Representative Early Retirement Rates (per 100 employees)

Attained Age	Rate
55	5%
56	6
57	6
58	8
59	8
60	10
61	10
62	25
63	40
64	40
65	100

Representative Disability Rates (per 100 employees)

Attained Age	Male	Female
20	0.29%	0.43%
25	0.28	0.42
30	0.28	0.41
35	0.29	0.43
40	0.32	0.49
45	0.41	0.61
50	0.57	0.86
55	0.87	1.30
60	1.36	2.05
65 and over	0.00	0.00

Representative Termination Rates (per 100 employees) not due to disability, retirement or mortality

Attained Age	Male	Female
20	18.7%	24.2%
25	10.1	13.7
30	6.1	8.6
35	4.7	7.1
40	3.7	5.5
45	2.6	3.9
50	1.4	2.1
55	0.1	0.2
56 and over	0.0	0.0

SCHEDULE SB ATTACHMENTS

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002
Form of Payment	Participants are assumed to elect the normal form.
Marriage	80% are assumed to be married. Females are assumed to be three years younger than the male spouse.
Employees	It is assumed that there will be no new or rehired employees.
Compensation for Plan Participants	Compensation assumed paid in the current year beginning on the valuation date is the compensation paid during the prior year increased by one year's salary scale increase.
Cost Method	The Traditional Unit Credit Cost Method is used to determine the normal cost and the actuarial accrued liability for retirement, termination, and ancillary benefits. Under this method, an accrued benefit is calculated as of the beginning of the year and as of the end of the year for each benefit that may be payable in the future. The accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year. For benefits where the plan's accrual formula is not relevant, benefits are assumed to accrue on a straight-line basis over the period during which the employee earns credited service. The actuarial accrued liability is the present value of the accrued benefits as of the beginning of the year for employed participants and is the present value of all benefits for other participants. The normal cost is the present value of the difference between the accrued benefits as of the beginning and end of the year. The normal cost and actuarial accrued liability for the plan are the sums of the individually computed normal costs and actuarial accrued liabilities for all plan participants.
Asset Method	Under this method, valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date at the prior plan year effective PPA interest rate.
Participant Data	Employee data was supplied by Covanta Projects, Inc. via e-mail as of the valuation date.

SCHEDULE SB ATTACHMENTS

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002
Benefits not Included in Valuation	None.
Changes in Assumptions and Methods Since Last Actuarial Valuation	Other than the prescribed changes in discount rate and mortality, no changes have occurred.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002
Plan	Covanta Energy Pension Plan
Plan Year	The twelve-month period ending December 31, 2011
Effective Date	
a. Original	January 1, 1989.
b. Amendments	An amendment was adopted August 10, 2011 to terminate the plan effective August 15, 2011.
Eligibility	Covered employees become eligible on the later of attainment of age 21 or completion of one Year of Service. Effective January 1, 2006 the plan was closed to new entrants.
Normal Retirement	
a. Eligibility	The first day of the month coincident with or next following 65th birthday.
b. Benefit	The monthly benefit is equal to (i) less (ii) plus (iii) plus (iv), but not less than (v) where i) is 1.5% of Final Average Compensation multiplied by years of Credited Service credited before January 1, 2002; and ii) is the amount of Prior Plan accrued benefit determined as of December 31, 1988; both determined in the form of a 10-year certain annuity and then converted to an actuarial equivalent straight-life annuity prior to combining with (iii), below, and iii) is equal to ([(a + b) x c] + (d x e)] payable as a life annuity, where;

SCHEDULE SB ATTACHMENTS

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002

Normal Retirement (cont.)

a. is .95% of Final Average Compensation up to Covered Compensation;

b. is 1.5% of Final Average Compensation in excess of Covered Compensation;

c. is years of Credited Service credited on or after January 1, 2002, up to 35;

d. is .95% of Final Average Compensation and

e. is total years of Credited Service in excess of 35 which are credited on or after January 1, 2002, and

iv) is the additional annual accrued benefit at age 65 payable as a life annuity specified in Schedule A of the plan, if applicable.

v) is a monthly benefit of $50, for participants in the plan on or before November 1, 2002

c. Final Average Compensation	A participants average annual total compensation during the five consecutive full plan years out of the last 10 consecutive full plan years prior to normal retirement or termination, which give the highest average annual rate of compensation. No pay increases are taken into account after December 31, 2009.
d. Compensation	Total salary and other cash compensation.
e. Credited Service	Years and completed months while working for a participating company. No service is credited after December 31, 2005.
f. Covered Compensation	The average of the Social Security wage bases in effect during the 35-year period ending on the last day of the calendar year in which Social Security Normal Retirement Age is attained.
g. Years of Service	1,000 hours of service during a calendar year.
h. Form of Payment	Benefits are normally payable in an unreduced amount as a life annuity for unmarried participants in a reduced amount and a 50% joint and survivor annuity for married participants.

SCHEDULE SB ATTACHMENTS

Plan Sponsor	Covanta Projects, Inc.
EIN/PN	13-3213657/002

Early Retirement Benefits

a. Eligibility	Attainment of age 55 and the completion of five years of Credited Service.
b. Benefit	Normal Retirement Benefit reduced 6% per year from age 65.
c. Form of Payment	Same as for normal retirement.

Deferred Vested Benefits

a. Eligibility	Five years of service. Effective January 1, 2006, all participants are vested.
b. Benefit	Normal Retirement Benefit calculated using FAC and Credited Service as of termination.
c. Form of Payment	Same as for normal retirement.

Pre-Retirement Survivor Benefit

a. Eligibility	All married vested participants.
b. Benefit and Form of Payment	An annuity is paid to the designated beneficiary equal to the benefit the beneficiary would have received if the participant had survived to the later of earliest retirement date or current age with a benefit frozen at date of death, retired with a 50% joint and survivor annuity, and then died. In case of a non-designated beneficiary, the benefit is payable to the spouse or for an unmarried participant to the participant's estate. Cost of coverage provided by the Company.

Changes in Plan Provisions	The plan was terminated as of August 15, 2011.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan: Covanta Energy Pension Plan

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: Covanta Projects, Inc.

D Employer Identification Number (EIN): 13-3213657

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2011

2	Assets:			
	a Market value		**2a**	78,036,352
	b Actuarial value		**2b**	78,036,352
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	180	13,972,174
	b For terminated vested participants	**3b**	689	27,729,715
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		31,512,913
	(3) Total active	**3c(3)**	991	31,512,913
	d Total	**3d**	1,860	73,214,802
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.05 %
6	Target normal cost		**6**	250,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Joseph Gamzon JG — Signature of actuary

10/05/2012 — Date

Gamzon, Joseph — Type or print name of actuary

11-06924 — Most recent enrollment number

Towers Watson Delaware Inc. — Firm name

(212) 309-3570 — Telephone number (including area code)

335 Madison Avenue

New York NY 10017 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	12,905,003	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	475,000	0
9	Amount remaining (line 7 minus line 8)	12,430,003	0
10	Interest on line 9 using prior year's actual return of 12.78 %	1,588,554	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		4,709,241
	b Interest on (a) using prior year's effective rate of 6.65 % except as otherwise provided (see instructions)		342,282
	c Total available at beginning of current plan year to add to prefunding balance		5,051,523
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	14,018,557	0

Part III Funding percentages

14	Funding target attainment percentage	14	87.43 %
15	Adjusted funding target attainment percentage	15	106.58 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.94 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals • 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
2.94 %	5.82 %	6.46 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years — **28**: 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) — **29**: 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) — **30**: 0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6) — **31a**: 250,000

b Excess assets, if applicable, but not greater than 31a — **31b**: 0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount — **33**:

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) — **34**: 250,000

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	250,000	0	250,000

36 Additional cash requirement (line 34 minus line 35) — **36**: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — **37**: 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) — **38a**: 0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances — **38b**: 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) — **39**: 0

40 Unpaid minimum required contributions for all years — **40**: 0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment — **42**:

43 Excess installment acceleration amount to be carried over to future plan years — **43**:

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

Plan Name Covanta Energy Pension Plan **EIN:** 13-3213657
Plan Sponsor's Name Covanta Projects, 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
*	Short-Term Fund	Pooled Separate Account	2,180,728	2,180,728
*	Prudential High Yield Fund	Common Collective Trust	5,646,379	5,669,153
*	Prudential Core Conserv Bond Fund	Common Collective Trust	5,676,137	5,940,183
*	Pru Inflation Protected Sec	Common Collective Trust	170,840	202,872
*	Prudential Core Bond Fund	Common Collective Trust	14,637,654	16,232,945
*	Pru U.S. Long Dur Corp Bnd	Common Collective Trust	52,018,455	56,942,046

Attachment to 2011 Form 5500
Schedule H, line 4j - Schedule of Reportable Transactions

Plan Name Covanta Energy Pension Plan **EIN:** 13-3213657

Plan Sponsor's Name Covanta Projects, Inc. **PN:** 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
QUANTITATIVE CORE EQUITY	POOLED SEPARATE ACCOUNTS	0	26,529,067	0	0	21,169,592	26,529,067	5,359,475
PRIVEST	POOLED SEPARATE ACCOUNTS	0	5,488,582	0	0	5,147,752	5,488,582	340,830
PRUDENTIAL CORE CONSERV BND FUND	COMMON COLLECTIVE TRUST	25,000,000	0	0	0	25,000,000	25,000,000	0
PRUDENTIAL CORE CONSERV BND FUND	COMMON COLLECTIVE TRUST	0	20,500,000	0	0	20,527,687	20,500,000	(27,687)
PRUDENTIAL HIGH YIELD FUND	COMMON COLLECTIVE TRUST	400,000	0	0	0	400,000	400,000	0
PRUDENTIAL HIGH YIELD FUND	COMMON COLLECTIVE TRUST	0	5,000,000	0	0	4,993,934	5,000,000	6,066
PRU U.S. LONG DUR CORP BND	COMMON COLLECTIVE TRUST	45,220,000	0	0	0	45,220,000	45,220,000	0

Attachment to 2011 Form 5500
Schedule H, line 4j - Schedule of Reportable Transactions

Plan Name Covanta Energy Pension Plan **EIN:** 13-3213657

Plan Sponsor's Name Covanta Projects, Inc. **PN:** 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
SHORT-TERM FUND	POOLED SEPARATE ACCOUNTS	48,188,206	0	0	0	48,188,206	48,188,206	0
SHORT-TERM FUND	POOLED SEPARATE ACCOUNTS	0	44,500,000	0	0	44,500,000	44,500,000	0