

Alberta Newsprint Company

EnviroVista Progress Report

March 2010

As part of the EnviroVista Champion status, the Alberta Newsprint Company (ANC) has committed to reporting on and making public the progress made and planned as per our EnviroVista Champion Commitments under the Champion Level Stewardship Agreement dated June 4th, 2008.

The following is progress on the EnviroVista Champion Commitments as per Schedule A of the Stewardship Agreement (attached).

(a)

- (i) ANC continues to participate in the Alberta Pulp and Paper Working Group with most activities focus in the Water Quality Sub-Committee. This sub-committee is currently involved in a dissolved oxygen research project with the participation of the University of Alberta, Alberta Environment and NSERC.
- (ii) In 2007/2008 ANC provided the Alberta Forest Products Association (AFPA) with representation on the Alberta Water Council - Shared Governance & Watershed Planning Framework Project Team. The Water Council published [Strengthening Partnerships: A Shared Governance Framework for Water for Life Collaborative Partnerships](#) September 2008 and [Recommendations for a Watershed Management Planning Framework for Alberta](#) December 2008.

ANC is also provided representation to the AFPA for the development of the Athabasca Watershed Planning And Advisory Council Initiators Group. This group functioned from January 2009 until November 2009 when it was dissolved with the election of a Board of Directors for the Athabasca Watershed WPAC. ANC continues to provide representation on this board for the AFPA through an elected board member.

ANC has also volunteered to be the primary author of the forest industry sector CEP plan as per the Alberta Water Council document; [Recommendations for Water Conservation, Efficiency and Productivity Sector Planning](#) September 2008. The CEP plan will be completed by December 2010.

(iii) Local Community Support

In 2009, ANC allocated \$10,000 (*donations/advertising/merchandise*) towards the following local initiatives and non-profit organizations:

Donations

| | |
|--|---|
| MS Mountain Tour | Mayerthorpe Legion-Funds for the Rec. Center |
| Juvenile Diabetes Foundation | Ronald McDonald House |
| Kidsport | NABIS |
| Wellspring Family Resource and Crisis Center | Whitecourt Team for Success-Native Culture Club |
| The Woodland Villa Garden Club | Camp He Ho Ha |
| Alzheimer's Society | Whitecourt Drug Coalition |
| Aspen Program at Woodside | Hilltop High School COOL Program |
| Walk to Remember | Mayerthorpe COOL Camp |
| University of Alberta Hospital Foundation | Swan Hills Nursery School |

Advertising

| | |
|--------------------------------------|---|
| Alberta Native News | Enviro Kids Guide |
| Community Safety Net (fire safety) | Albert Fire Chiefs Association |
| Elementary Safety Book for Children | Native Journal |
| Community Drug Alert | SOS Children's Safety Magazine |
| Teenage Survival Handbook | The Hospital Activity Book for Children |
| Whitecourt Star (Christmas Songbook) | Whitecourt Star (Fire Prevention Week) |
| Whitecourt Star – Grad Book | Whitecourt Taekwondo Club Calender |
| Whitecourt Kids Help Phone Show Fund | |

Merchandise

| | |
|---|------------------------------------|
| Mayerthorpe Ladies Hockey | RCMP (Anthony Gordon Golf Classic) |
| Bob Deathridge Memorial Hockey Tournament | Rotary Club Lobsterfest |

ANC is strongly committed to the support of local organizations, and to the reduction and minimization of waste. ANC has been able to combine both of these efforts by collecting/recycling beverage containers and donating all the proceeds. In 2009, ANC collected and distributed \$1,640.15 to the following organization:

Whitecourt Veterinary Clinic

Christmas Donations

During each holiday season, the owner of ANC has personally donated funds to those in need. In 2009, our owner distributed a total of \$20,000 to the following organizations:

| | |
|----------------------------------|----------------------------------|
| Whitecourt Interagency Food Bank | Whitecourt Christmas Hamper Fund |
| Tennille's Hope | Lorne's Blanket |
| Whitecourt Boys and Girl's Club | |

(iv)

- A. ANC continues to be an active member of the Whitecourt Chamber of Commerce.
- B. ANC continues as a regular participant of the Regional Forestry Advisory Committee.
- C. ANC continues to support a mutual aid agreement in conjunction with the Town of Whitecourt.

(b)

- (i) ANC is currently certified under the AFPA Forest Care Program. ANC will be having an external audit to retain this certification in 2010.

<http://www.albertaforestproducts.ca/industry/forestcare.aspx>

(c)

- (i) ANC was one of the developing partners in the creation of the Standards and Guidelines for the Land Application of Mechanical Pulp Mill Sludge to Agricultural Land, AENV, February 1999, as amended. <http://environment.gov.ab.ca/info/library/7267.pdf>

ANC is committed to ensuring that all sludge is land applied in an environmentally sound manner.

- (ii) ANC strives to ensure compliance of landowners utilizing the sludge by having the landowner complete a Sludge User Package. Information required in the package also includes confirmation from the landowner that they have read and understood the proper use of the material in conformance with the Standards and Guidelines for the Land Application of Mechanical Pulp Mill Sludge to Agricultural Land, AENV, February 1999, as amended.

(iii)

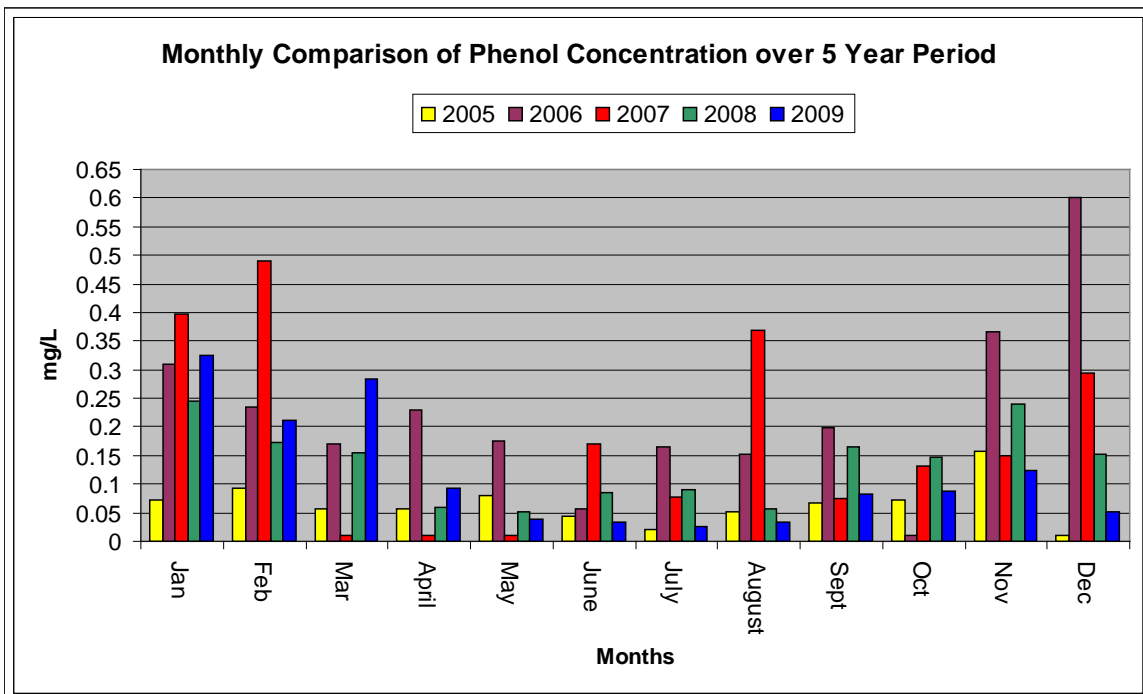
- A. ANC continues to conduct research with the Alberta Research Council (ARC) and other mechanical mills for uses in well site reclamation and remediation. ANC currently has completed a field project with ARC and Suncor at a well lease to measure hydrocarbon degradation using the sludge. The final report was completed in November 2009. Interested parties in this research should contact ANC for more information.
- B. ANC continues to explore the economic feasibility of compost production. Compost piles continue to be built and maintained on the old landfill at the ANC plant site. It is the goal of ANC to produce compost using sludge for the commercial market.

- C. Odour from the sludge is best controlled by the landowner immediately incorporating the sludge after spreading. ANC encourages landowners in this practice.
- D. Moisture content of the sludge has a great impact on hauling costs. ANC has solicited the support of PAPRICAN, suppliers and consultants to find methods of decreasing the moisture content of the sludge.

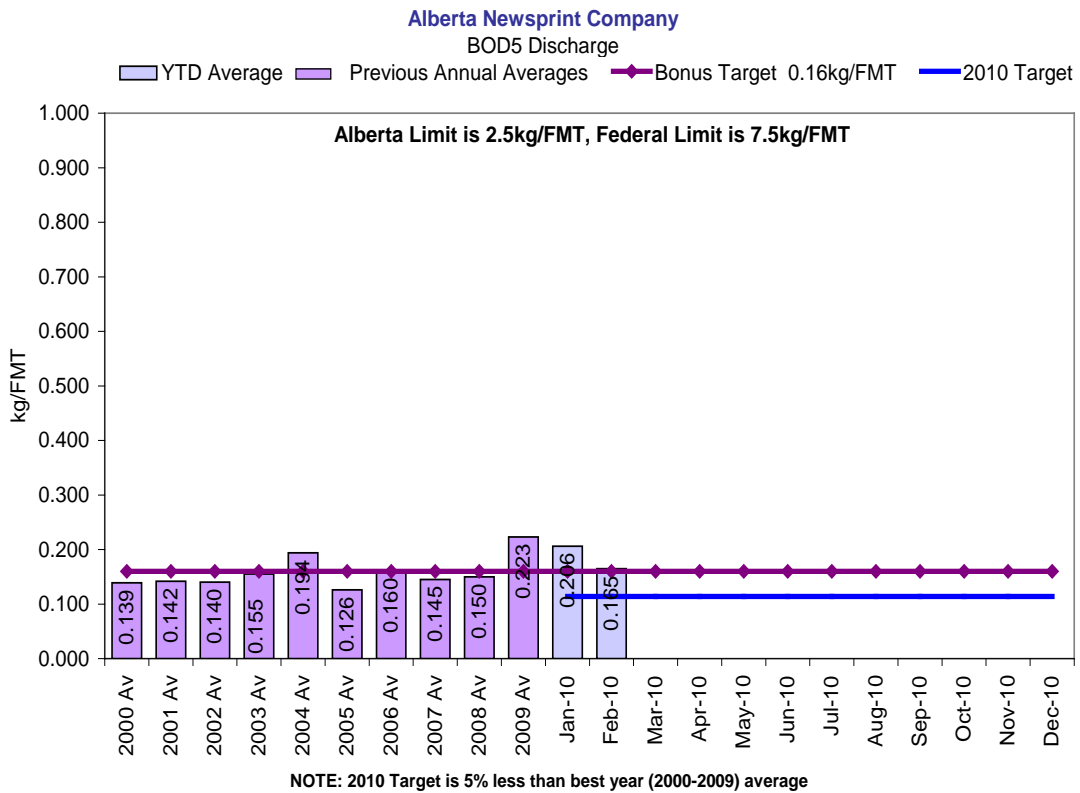
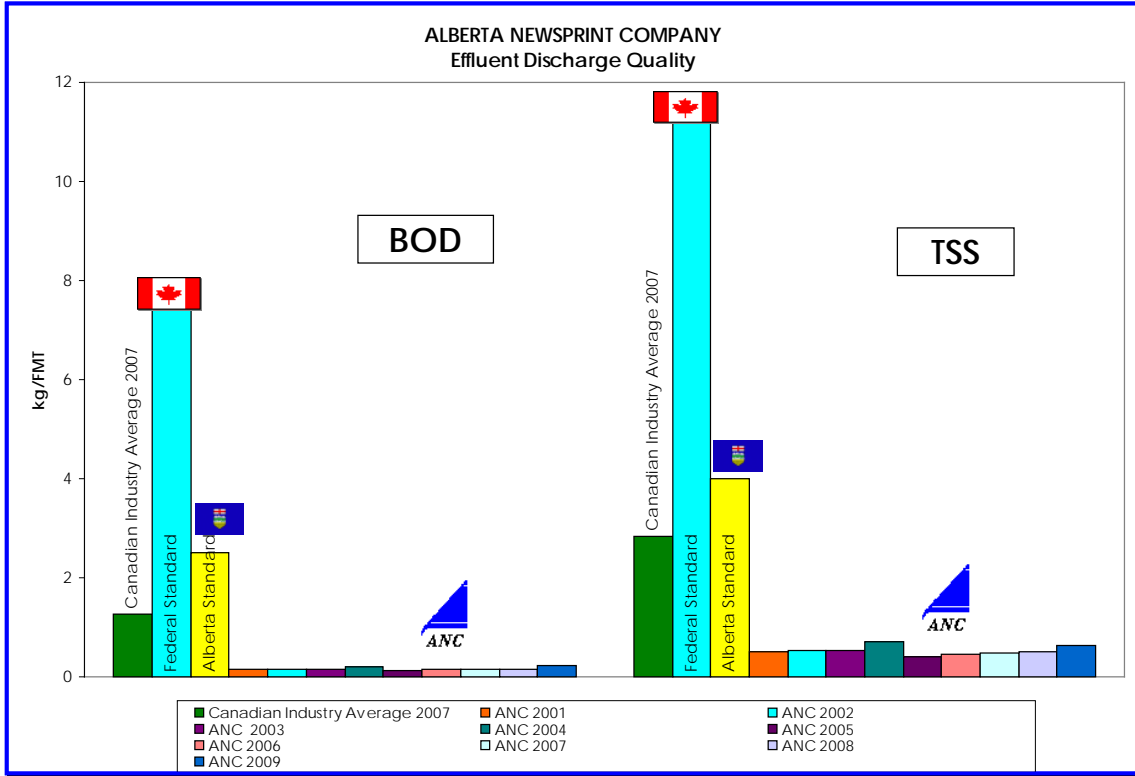
(d)

(i) ANC continues to explore methods of improving all aspects of the mills operation. Currently, ANC is trialing a low energy microbubble diffuser within the reactor. The goal is to reduce energy costs associated with aeration while maintaining excellent effluent treatment and quality. The trial looks promising and ANC may look into purchasing one or more units this year.

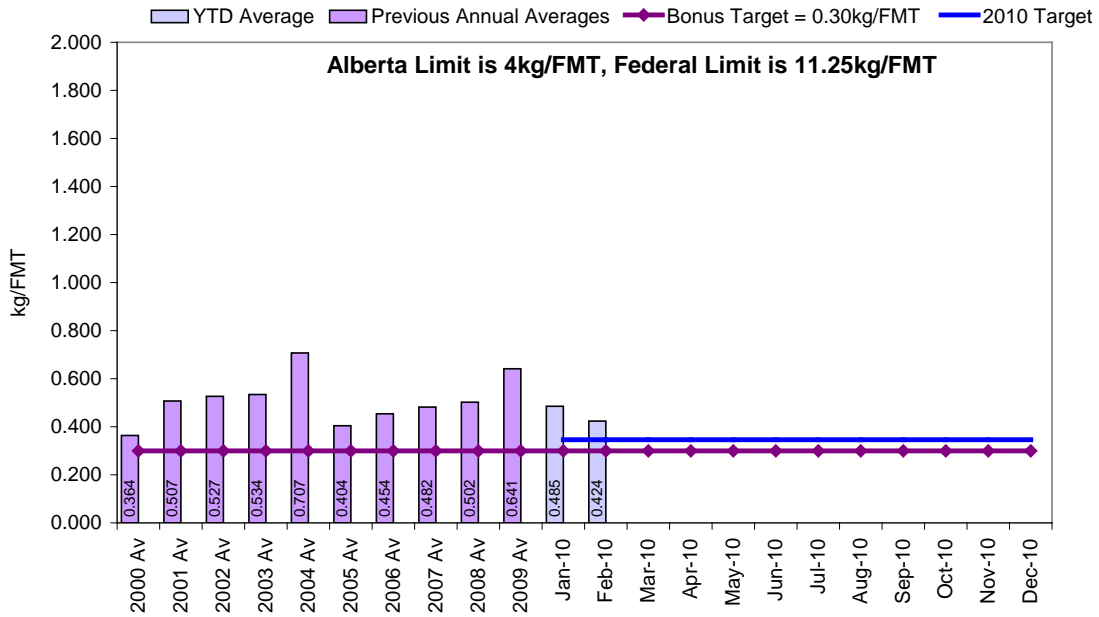
(ii) ANC will continue to monitor phenol discharges; however, the following graph shows that phenol discharges vary throughout the year and are not steadily increasing. In 2007, ANC decreased the number of recirculation pumps within the tertiary treatment basin to reduce energy costs. Consequently, lower levels of aeration and mixing were provided to the final stage of treatment. This energy reduction strategy may have contributed to the varying discharges of phenols; as anaerobic conditions can promote higher concentrations of phenols. Last spring, ANC tried a different approach by cycling both recirculation pumps every 12 hours. This new approach appears very successful by achieving lower levels of phenol discharges while reducing energy costs.



- (iii) ANC is currently in the process of updating the Best Management Practices Plan (BMP) to include items A to J by May 1, 2010.
 - (iv) The updated BMP will be implemented as authorized in writing by the Director.
 - (v) Annual reviews of the BMP will be conducted.
 - (vi) ANC is continuing in the development of a Green Procurement Plan. This involves a review of different types of green procurement plans as well as consultants which could assist in implementation. Such programs vary in complexity and the review is necessary to ensure that whatever program is developed fully matches ANC purchasing needs. Challenges in 2009 related to the economic environment as well as a major capital project to improve paper machine production have delayed full development of the plan which should be completed in 2010.
 - (vii) A review of the storage and handling practices for chemicals used in the mill will be conducted in 2010.
 - (viii) Ongoing environmental training continues to be an important aspect at ANC to ensure that all operations continue to be successful. During 2009 this training included spill response training, TDG training as well as effluent system operation training.
 - (ix) In January 2010 an information session related to ANC operations and future projects was presented to Alberta Environment staff as well as staff from various government agencies and research groups. The intent of this session was to increase knowledge in these groups of ANC's overall business and commitment to a sustainable future.
- (e) ANC strives to reduce emission levels and achieve our 2010 internal performance targets for BOD, TSS, Water Usage, Sewer Loss, and Phosphorous. The following graphs depict these internal performance targets and display both our past and present performance achievements regarding these parameters.

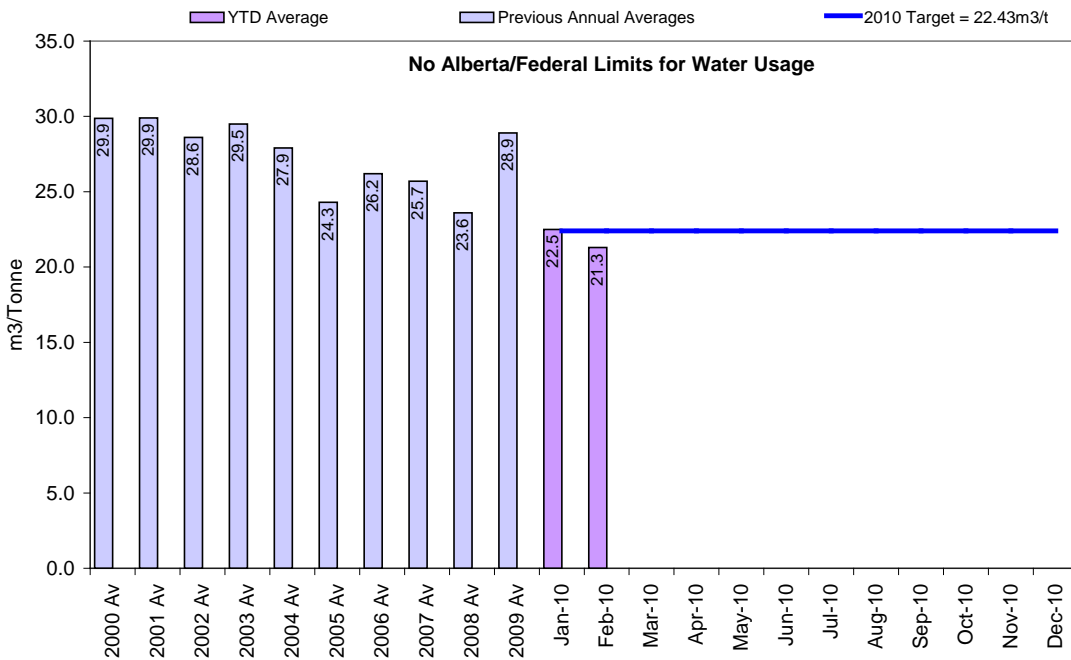


Alberta Newsprint Company
TSS Discharge

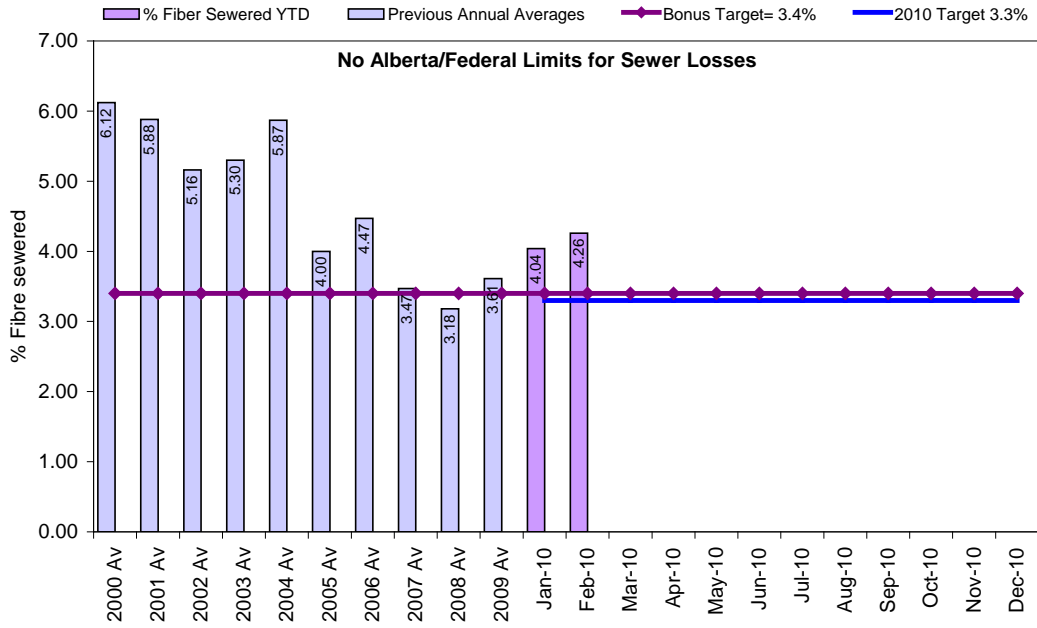


NOTE: 2010 target is 5% less than best year (2000-2009) average

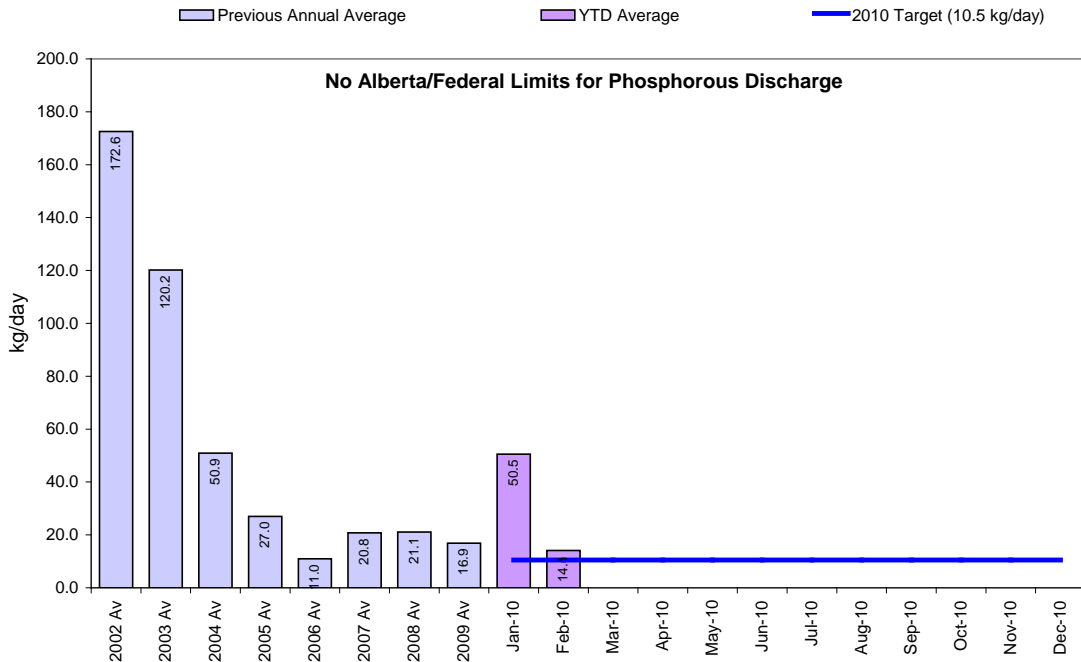
Alberta Newsprint Company
Water Usage - cubic meters of water per finished metric tonne of paper



**Alberta Newsprint Company
Sewer Loss**



**Alberta Newsprint Company
Phosphorus Discharge**



NOTE: 2010 target is 5% less than best year (2000-2009) average

During 2009, ANC was challenged in making improvements in effluent discharges and water use due to an effluent system upset in early 2009 and an extended mill shutdown in July 2009 for the installation of a new press section on the paper machine. Effluent system performance has improved since August 2009 and into 2010 and there is currently a new aeration technology for the effluent system being trialed. This trial, if successful, would not only enhance effluent system treatment capabilities but also could result in a significant energy use reduction.

(f) ANC's external web site is located at www.albertanewsprint.com. Included on this web site is information regarding the environmental program and activities at ANC.

(g) This progress report fulfills this commitment.

Notable achievements in 2009

- **Integrated Energy Leadership Award** by Natural Resources of Canada in November 2009 <http://oee.nrcan.gc.ca/industrial/technical-info/library/newsletter/archives-2010/Vol-XIV-no-1-jan1.cfm?attr=24#b>
- **Energy Conservation Award** by PAPTAC in February 2009 http://www.paptac.ca/index.php?option=com_content&task=view&id=106&Itemid=9

For further information please contact ANC at 1-780-778-7000 or visit us at www.albertanewsprint.com.

Schedule A – EnviroVista Champion Commitments

ANC commits to meeting the following EnviroVista Commitments:

- (a) The following, at a minimum, with respect to public involvement and consultation:
 - (i) Participating as a stakeholder in the Alberta Pulp and Paper Working Group. Participation means but is not limited to: providing financial support, in-kind support, scientific guidance, and general input to Alberta Environment in cooperation with other pulp mills in Alberta;
 - (ii) Participation in Alberta Water for Life activities where applicable including participation in Athabasca Watershed Planning and Advisory Council;
 - (iii) Support the local community through donations or in-kind support of local initiatives or non-profit organizations; and
 - (iv) Continuing to be an active member of:
 - A. Whitecourt Chamber of Commerce;
 - B. Regional Forestry Advisory Committee; and
 - C. Mutual Aid Agreement with the Town of Whitecourt;
- (b) Maintain an Environmental Management System that is recognized by Alberta Environment:
 - (i) Certification in the Alberta Forest Products Association ForestCare Program; or
 - (ii) An equivalent recognized Environmental Management System;
- (c) The following, at a minimum, with respect to the land application of pulp mill sludge:
 - (i) For agricultural land, ensure that the land application of pulp mill sludge is in accordance with the Standards and Guidelines for Land Application of Mechanical Pulp Mill Sludge to Agricultural Land, AENV, February 1999, as amended;
 - (ii) Ensure that the land owners comply with the standards and guidelines under subclause (c)(i) above, to prevent any negative environmental impacts; and
 - (iii) Continuous research on pulp mill sludge including, but not limited to:
 - A. Landspreading on non-agricultural land;
 - B. Alternative uses;
 - C. Odour control; and
 - D. Moisture content;

- (d) The following, at a minimum, with respect to continuous improvement:
- (i) To develop better control technologies/processes for BOD, TSS, greenhouse gases, phosphorous, water usage and sewer loss;
 - (ii) Research reasons for historical trend increase in phenol discharge;
 - (iii) To develop and submit to the Director a Best Management Practices Plan by May 1, 2009 to include at a minimum, the following:
 - A. In-house lab QA/QC program;
 - B. Fugitive emissions management plan;
 - C. Overall site plan showing all the air emission sources;
 - D. Operational manual;
 - E. Waste management procedures;
 - F. Management plan for land application of pulp sludge on non-agricultural land;
 - G. Waste minimization plan;
 - H. Open burn procedures;
 - I. Dredging procedures; and
 - J. Groundwater sampling procedures;
 - (iv) Implement the Best Management Practice Plan referred in subclause (d)(iii) as authorized in writing by the Director;
 - (v) Annual review and update of the Best Management Practice Plan referred in subclause (d)(iii);
 - (vi) To develop a green procurement plan;
 - (vii) At least once every three years, review of the storage and handling practices for chemicals used in the pulp and paper manufacturing process including but not limited to: inspections, risk assessments and incident reports;
 - (viii) Provide ongoing environmental training related to pulp mill operations to ANC staff; and
 - (ix) Provide educational sessions on ANC's newsprint operation to Alberta Environment staff;

- (e) Reducing and maintaining emissions levels to achieve the following internal performance targets:

| Parameter | Performance Target |
|-------------|--------------------------|
| BOD | 0.114 kg/FMT |
| TSS | 0.346 kg/FMT |
| Water Usage | 22.4 m ³ /FMT |
| Sewer Loss | 3.4% |
| Phosphorous | 10.5 kg/day |

*FMT – finished metric tones of pulp

- (f) Maintaining an external ANC website which includes information on the environmental program and activities at ANC; and
- (g) Preparing and making public, on or before March 31 of each year following the year that the information was collected, submit or present to Alberta Environment, and post on the Plant's website, an annual EnviroVista Progress Report that includes, at a minimum, the status of each of the commitments listed above.