BRITISH
COLUMBIA
The Best Place on Earth

File: PA-02559
Job: 121443

May 31, 2010

Canfor Pulp Limited Partnership
P.O. Box 9000
Prince George British Columbia V2L 4W2

Attention: Glenda Waddell, Environmental Manager

Dear Glenda:

Re: SUPPORT FOR NORTHWOOD PULPMILL RECOVERY BOILER UPGRADE PROJECT

This letter is in response to Canfor Pulp Limited Partnership's (CPLP) request for support of the Northwood Pulp Mill Green Transformation Project. The project will involve upgrading the #1 Recovery Boiler (#1 RB) to an indirect contact, low odour boiler.

I would like to express thanks to the federal government for their innovative and responsive funding program which will direct environmental improvements that can improve the quality of life for the citizens of Canada. Such is the case with the Green Transformation Program and the planned upgrades CPLP has identified for its pulp mills in Prince George.

Prince George has a population of approximately 75,000[1], residing in a river valley where the Nechako and Fraser River converge. The Northwood pulp mill is one of three mills located in Prince George. The Northwood facility is located 7.7 km from the downtown core of Prince George, 4.7 km to the nearest neighbourhood community and 1.7 km to the nearest resident. As a result of both physical geography and climatic conditions, sulphur gas emissions from the Northwood Pulp Mill Recovery Boiler can enter the air shed, and become trapped, thereby impacting the environmental, social, and economic quality of the region.

In recent years there has been significant interest and focus on the air quality in Prince George. To date, other industrial facilities have made and are in the process of making changes in Prince

[1] 75,000 is based on a 2001 census. According to the City of Prince George's web site (www.city.pg.bc.ca) the census agglomeration is 83,225.

Ministry of Environment
Environmental Protection Division
Regional Operations Branch
Omineca and Peace Regions
Mailing Address:
#325 - 1011 Fourth Avenue
PRINCE GEORGE BC V2L 3H9
Telephone: (250) 565-6135
Facsimile: (250) 565-6629
Website: www.gov.bc.ca/env

George to reduce their emissions; however, the pulp mills historically have been slower to respond because of the significant capital investment. Environmental upgrades at the CPLP mills will have a positive influence by setting an example of change for other industries in the air shed.

To best focus future upgrades, CPLP has prepared itself in recent years by collecting data and contributing to research related to its emissions and the Prince George air shed. CPLP is an active partner of the Prince George Air Improvement Roundtable[2] and an active member of the associated Research Working Group and Monitoring Working Group. These groups have provided a mechanism and venue to process information on air quality and specifically identify the relative impacts from the pulp mills on the receiving environment.

Historically, odour has been a chronic issue in the Prince George air shed. The Ministry of Environment continues to receive numerous complaints each year regarding pulp mill odours. Unlike other pollutants in Prince George, odour is directly linked to industry including pulp mill and refinery sources. In 2009, 53% of all complaints received by the Ministry were related to odour.

In the past, the Ministry of Environment's ambient monitoring stations in Prince George measured levels of total reduced sulphur (TRS) at levels that have routinely exceeded provincial air quality objectives. In previous years the ambient TRS concentrations recorded at the main ambient monitoring station in Prince George's downtown station exceeded the provincial hourly average objective of $7ug/m^3$ at least 7% of the time. In 2009 the provincial hourly objective was exceeded approximately 10% of the time. The average person can detect TRS at concentrations well below the provincial objective.

The Northwood #1 RB has been identified as the largest single point source for odorous compound (TRS) emissions in Prince George. This boiler is one of the last direct contact recovery boilers at a pulp mill in British Columbia and its current performance is not consistent with modern technology or with current emission guidelines. The present permitted quantity for TRS is one of the highest in the province, and is one of the highest point source emissions of TRS in Prince George. The proposed boiler upgrade to Best Achievable Technology (BAT) is consistent with the Ministry of Environment's policy. The upgrade is anticipated to result in a minimum 70% reduction in TRS emissions from this source. Furthermore, although not the focus of the upgrade in terms of the proposed technology, the upgrade is also anticipated to provide an additional benefit of reducing particulate matter from this source. Reductions are important to an air shed where levels of particulate matter are linked to health concerns. The direct reduction in loading by the #1 RB is anticipated to be significant given the recovery boilers at Northwood are the largest point source emitters in the air shed.

[2] Prince George Air Improvement Roundtable (PGAIR) is multi-stakeholder society which focuses on actions to improve air quality in Prince George. It is a collaborative, community-based organization that includes representatives from government, industry, First Nations, community groups, the general public and academia.

CPLP has taken the initiative to set up ambient monitors in the air shed to measure the effectiveness of the planned changes by measuring pre- and post- construction ambient levels for TRS and particulate matter. These stations along with the established ambient monitoring network in Prince George will assist in measuring the changes in ambient particulate matter levels. CPLP's approach to monitoring the effectiveness of the changes is welcomed, and the ambient data will be important to inform future improvements.

Under the *Environmental Management Act*, the proposed changes require an amendment to the existing waste management permit which authorizes contaminant discharges to the environment from the Northwood facility. CPLP has initiated this amendment process and it is expected a decision on the amendment will follow shortly.

The Ministry of Environment is very encouraged by CPLP's decision to focus on emissions reductions by upgrading #1RB despite the need for additional funds to complete the proposed project. The project is viewed as being a credible and responsible choice in terms of prioritizing projects that ensure environmental improvements. This recovery boiler upgrade is viewed as a highly valued project on several fronts, and thus, is given my full support.

If you require further information or wish to discuss this matter, please contact Maureen Bilawchuk at 250-565-6459.

Yours truly,

Dean Cherkas
Regional Manager
Omineca and Peace Regions
Ministry of Environment

:msb