

February 18, 2009

Director, Northern Region
 c/o Monitoring & Evaluation Branch
 Alberta Environment
 11/Fl., Oxbridge Place, 9820-106 Street
 Edmonton, Alberta T5K 2J6

**SUBJECT: 2008 ANNUAL ENVIROVISTA PROGRESS REPORT
 (Approval No. 679-02-00)**

1. AIR EMISSION SOURCE

a) Utility Boiler Stacks

Results of the CEMS (Continuous Emission Monitoring System) for the 3 Utility Boilers have been reported electronically to Alberta Environment. Compliance is 100%.

b) Saltbath Heaters: The Unit 10, 20 and 40 Saltbath Heater stacks were surveyed as part of the EnviroVista Stewardship Agreement commitment. The "Approval Limits" (Approval #679-01-04) were removed in June 2007 with the Approval renewal and the participation of AEF in the EnviroVista Champion Level (Approval #679-02-00). The limits are listed below only for reference and not for compliance purpose.

Stack	Parameters	Result	Approval Limit
Unit 10 Saltbath	Nox emission rate	0.40 kg/hr	0.70 kg/hr
	THC	0.9 ppm	20 ppm
Unit 20 Saltbath	Nox emission rate (kg/hr)	0.55 kg/hr	0.70 kg/hr
	THC	1.2 ppm	20 ppm
Unit 40 Saltbath	Nox emission rate (kg/hr)	0.42 kg/hr	1.2 kg/hr
	THC	0.7 ppm	20 ppm

2. NOx and SOx INVENTORY

The following are the inventory of NOx and SOx from our boilers and heaters. The calculation method was described in the annual Air Reports submitted to Alberta Environment from 1992 to 2006.

Sources	SOx	NOx
Born heater, Boilers #1, 2 and 3, Unit 10, 20 and 40 Saltbath heaters	23.81 tonnes	194.01 tonnes

3. INDUSTRIAL RUNOFF (STORMWATER POND)

Discharges are 100% in compliance with AEF's Approval limits.

DISCHARGE DATE	pH	COD	Oil & Grease	TSS	
May 6, 2009	8.33	8 mg/L	no visible sheen	9 mg/L	
May 28, 2009	8.14	22 mg/L	no visible sheen	2 mg/L	
July 24, 2009	8.52	18 mg/L	no visible sheen	4 mg/L	
July 24, 2009	8.97	22 mg/L	no visible sheen	8 mg/L	
	6.0-9.5	50 mg/L	no visible sheen	25 mg/L	APPROVAL LIMIT

4. STEWARDSHIP COMMITMENTS & STATUS

AEF shall commit to:

a) The following, at a minimum, with respect to public involvement and industry leadership:

- (i) continuing to be an active member of the Strathcona Industrial Association (SIA) by participating in the: i. SIA Board; ii. Environmental Committee; iii. CAER Committee meetings; and iv. all associated activities, including, but not limited to, network monitoring, network audits, and the CAER Fairs.
- (ii) maintaining an Alberta Envirofuels Inc. website which includes information on the environmental program and activities at Alberta Envirofuels Inc.

Status: In 2008 AEF remained as an active member of the SIA, including participating in Board and Environmental Committee and CAER meetings, CAER Fairs. Also maintained currency of AEF's internet website.

b) Waste minimization and resource recycling, by, at a minimum, discharging wastewater containing trace Tertiary Butyl Alcohol to the sanitary sewer for treatment at the Goldbar Wastewater Treatment Center, prior to discharge back to the river, instead of deepwell disposal

Status In 2007 AEF initiated the project of removing particulates/color from the TBA (Tertiary Butyl Alcohol) sump water, so that the wastewater containing trace TBA can be discharged to the wastewater pond for treatment at the City of Edmonton Goldbar Treatment Center, instead of disposal at deepwell. A filter was installed in April/May 2008. Although the TBA sump pump was broken in Q4 of 2008 and the wastewater was again sent to the deepwell, the total amount disposed in the deepwell was 845m³ in 2008, down from 2555m³ in 2007, a net recycling of 1710m³ of water. Another benefit was the reduction in Green House Gas, by NOT trucking ~85 loads of wastewater to the deepwell (estimate based on 20m³ trucks).

c) Continue to repair equipment that leaks over 500 parts per million (ppm) Volatile Organic Compounds (VOCs), and follow the CCME Guideline for LDAR (Leak Detection and Repair).

Status: FEMS survey was not conducted in 2008 because of the facility Turnaround (TA) in Q3/Q4. The "Shutdown Equipment List" (generated from the 2007 survey), i.e. equipment which require facility/equipment shutdown to repair – was addressed in the 2008 TA and repair completed.

d) Improve on energy efficiency at the Plant through, at a minimum, but not limited to, the following:

- (i) updating the Plant's Steam Balance;

Status Completed as required in 2007. This will become an evergreen project, and the Steam Balance will be updated again in 2009

- (ii) developing a list of top 20 energy users (equipment/process) at the Plant, and determining theoretical efficiencies and opportunities for improvement;

Status: The top 20 energy users were identified in 2007. Opportunities for improvement were not identified in 2008, but it is in the 2009 workplan.

(iii) surveying the Plant's steam traps and repairing/replacing passing traps.

Status: Completed the steam trap survey in the summer of 2007 and acted on the result: 32 steam traps were replaced and the other passing traps were repaired. There is now an on-going program to continually repair/replace passing traps

e) With respect to the Unit 10, 20, and 40 Salt Bath Heater Stacks: (i) conduct stack surveys on each salt bath heater stack, by the end of the 2008 calendar year, to quantify oxides of nitrogen and total hydrocarbon emissions; (ii) identify any emission improvement opportunities based on both the original design performance and the latest design standards for these process heaters; and (iii) develop a plan and milestones for any identified improvements

Status: Manual surveys were conducted in December 2008 for the Unit 10, 20 and 40 Salt Bath Heater stacks. Please see Section 1(b) for results.

f) Make 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 web-site, an annual EnviroVista Progress Report that includes, at a minimum, the status of each of the commitments listed above.

Status: Completed as stated in (f)

Yours truly,

ALBERTA ENVIROFUELS INC.



Les Barber
General Manager
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