

# **ENVIROVISTA PROGRAM FOR ENVIRONMENTAL EXCELLENCE**

## **CHAMPION LEVEL STEWARDSHIP AGREEMENT**

**THIS AGREEMENT** (the "Agreement") is made as of the \_\_\_\_\_ day of June, 2007.

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA**  
as represented by the Minister of the Environment  
("Alberta Environment")

-and-

**ALBERTA ENVIROFUELS INC.**  
a corporation incorporated under the laws of Alberta carrying on business at its  
Alberta Envirofuels Inc. Plant located at SW1/4 of 32-52-23-W4M  
("AEF")

**PURPOSE:**

Alberta Environment and AEF enter into this agreement for the purpose of recognizing and promoting AEF's voluntary environmental leadership and stewardship.

**WHEREAS:**

Alberta Environment administers the Environmental Protection and Enhancement Act ("EPEA"), and regulates activities under the EPEA;

Alberta Environment has developed a new framework called the EnviroVista Program (the "Program") to promote environmental leadership and stewardship among qualified holders of approvals under EPEA;

Alberta Envirofuels Inc. holds Approval Number 679-02-00 issued under the Environmental Protection and Enhancement Act as a Chemical Manufacturing Plant for the production of isooctane;

AEF has applied and been accepted to participate in the Champion Level of the Program with respect to the Alberta Envirofuels Inc. Plant located in Edmonton, Alberta (the "Plant");

By participating in the Champion Level of the Program, AEF has committed to achieving environmental performance measures and other commitments ("Commitments" or "EnviroVista Commitments") with respect to the Plant, as described herein;

In return for participating in the Champion Level, Alberta Environment has committed to providing certain support and recognition to AEF, as described herein; and

Alberta Environment and AEF have agreed to enter into this Agreement to set forth their respective rights and obligations in the context of the Champion Level of the Program.

**NOW THEREFORE** in consideration of the mutual covenants and terms and conditions herein contained, Alberta Environment and AEF agree as follows:

1. AEF agrees to:
  - (a) maintain an Environmental Management System that meets the EnviroVista Leader Level Participation Criterion 1 as described in the EnviroVista Leader's Guide (Updated August 2006), as amended;
  - (b) perform and deliver the functions, duties, matters and services described in Schedule "A" to this Agreement (hereinafter referred to as the "EnviroVista Commitments") to the satisfaction of Alberta Environment; and
  - (c) comply with the requirements of Approval Number 679-02-00, as amended.
2. Alberta Environment agrees to:
  - (a) provide the support and recognition to AEF as outlined in Schedule "C" to this Agreement.

#### **TERM**

3. The term of this Agreement shall be until the 1st day of June, 2017, unless otherwise terminated.

#### **NOTICE OF BREACH**

4. (1) In the case of a finding by the Director of a breach by AEF in carrying out any of the provisions of this Agreement, the Director may give written notice thereof to AEF and may specify the time within which to remedy the breach.
  - (2) In making a decision to give notice under subsection (1), the Director shall consider any advice and recommendations from the EnviroVista Program Advisory Committee.

#### **TERMINATION OF CONTRACT**

5. Either party may terminate this Agreement, and thus AEF's participation in the EnviroVista Champion Level of the EnviroVista Program, for any reason, by providing notice to the other party in writing at least 180 days in advance of the intended termination date.

6. (1) Alberta Environment may terminate this Agreement at any time, with or without notice to AEF, if AEF:
    - (a) breaches any term, condition or provision of this Agreement unless that breach has been remedied by AEF to the satisfaction of the Director as a result of a notice being issued under 4(1) above;
    - (b) engages in any business, enterprise or undertaking that interferes with its ability to perform under this Agreement;
    - (c) is adjudged bankrupt or makes a general assignment for the benefit of creditor or if a receiver of any type is appointed on account of AEF's insolvency, or if in the opinion of Alberta Environment, appears to be insolvent; or
    - (d) transfers, assigns or otherwise conveys legal responsibility for the operation of the Plant to another party.
  - (2) Alberta Environment may terminate this Agreement if Alberta Environment, in its sole discretion, terminates (i) the EnviroVista Program, or (ii) the EnviroVista Champion Level of the EnviroVista Program.
  - (3) In the event of termination under subclause (2) above, Alberta Environment shall notify AEF in writing at least 180 days in advance of the termination date.
  - (4) Termination of this Agreement constitutes termination of AEF's participation in the Champion Level of the EnviroVista Program.
7. Upon or after termination of this Agreement, Alberta Environment shall be discharged from and have no further obligation under this Agreement to AEF. AEF shall forfeit all claims to the Alberta Environment Commitments provided for under Schedule "C" to this Agreement.

## **GENERAL**

8. This Agreement and the rights and obligations of the parties herein shall be governed and construed according to the laws of the Province of Alberta.
9. The AEF General Manager is the AEF designate to act as liaison on behalf of AEF in respect of any communication with Alberta Environment under this Agreement. The Director is Alberta Environment's designate under this Agreement.
10. All communications required or permitted to be given under this Agreement shall be in writing and may be left, properly addressed, at the office of the addressee, or sent by registered mail, postage prepaid, to the office of the addressee, in either case as follows:
  - (1) If to Alberta Environment, to:  
111 Twin Atria Building  
4999 – 98 Avenue  
Edmonton, AB T6B 2X3

(2) If to AEF, to:

Mailing Address:  
P.O. Bag 2424  
Edmonton, AB T5J 4R3

Plant Site Address:  
9511 – 17 Street  
Edmonton, AB T6P 1Y3

or such other address as either party may from time to time designate by notice in writing to the other party. Communications may also be delivered by e-mail or by facsimile if an e-mail address or facsimile number, as applicable, is provided. Any communication which is sent by prepaid registered mail shall be deemed to have been given on the second business day after the date of mailing except in the event of an intervening postal strike or service disruption in which case notices shall not be effective until the second business day following the resumption of normal mail service. Communication by e-mail or facsimile shall not be effective unless actually received.

11. The *Freedom of Information and Protection of Privacy Act* applies to all information and records provided by AEF to Alberta Environment and to any information and records which are in the custody or under the control of Alberta Environment.
12. Nothing in this Agreement is to be construed as creating an agency, partnership or employment relationship between AEF and Alberta Environment.
13. There are no terms, conditions, representations or warranties made by Alberta Environment or its agents, officers or employees concerning this Agreement except those terms, conditions and representations as are expressly contained in writing in this Agreement.
14. No change, modification or alteration of this Agreement shall be valid unless it is in writing and signed by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof.
15. Alberta Environment may, from time to time, waive the performance by AEF of any provision of this Agreement, either before or after the performance is done but a waiver (a) shall not take effect or be binding upon Alberta Environment unless it is in writing signed by Alberta Environment or under its authority, and (b) shall not limit or affect Alberta Environment's rights with respect to any other breach or non performance whether prior or subsequent thereto.
16. AEF shall not assign this Agreement.
17. This Agreement sets forth the entire agreement between the parties hereto with respect to the EnviroVista Program and shall be deemed to have superseded any and all previous agreements and understandings, whether written or oral, between the parties respecting all rights and obligations as herein described.

IN WITNESS WHEREOF the parties have executed this Agreement on the first date written above.

HER MAJESTY THE QUEEN in right of the Province of Alberta, as represented by the Minister of Environment (by his duly authorized Representative)

Per: \_\_\_\_\_  
(Signature of Authorized Representative)

Print Name: \_\_\_\_\_

Position Held: \_\_\_\_\_

Alberta Envirofuels Inc., by their duly authorized representative

Date Signed by Alberta Envirofuels Inc.: \_\_\_\_\_

Per: \_\_\_\_\_  
(Signature of Authorized Representative)

Print Name: \_\_\_\_\_

Position Held: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name of Witness

## Schedule A – EnviroVista Champion Commitments

AEF commits to meeting the following EnviroVista Commitments:

- (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.;
- (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;
- (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);
- (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;
  - (ii) developing a list of top 20 energy users (equipment/process) at the Plant, and determining theoretical efficiencies and opportunities for improvement; and
  - (iii) surveying the Plant's steam traps and repairing/replacing 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.
- (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 website, an annual EnviroVista Progress Report that includes, at a minimum, the status of each of the commitments listed above.

## **Schedule B – Regulatory Incentives**

Based on the EnviroVista Commitments made by AEF, the following Regulatory Incentives are provided by Alberta Environment, through Environmental Protection and Enhancement Act (EPEA) Approval Number 679-02-00:

- (a) Reduced reporting requirements;
- (b) Flexible emissions source stack sampling frequency, to be determined by the Approval Holder; and
- (c) Non-specified operational requirements, allowing management of Plant operations to be determined by the Approval Holder, and in a manner consistent with the Plant's Environmental Management System.

## **Schedule C – Alberta Environment Commitments**

Alberta Environment commits to provide the Plant the following, upon request of AEF and within the ability of Alberta Environment:

### **1. Letters to Elected Officials and Senior Management Officials**

ALBERTA ENVIRONMENT will provide letters recognizing the leadership shown by the Plant, commending the Plant for its stewardship commitments and explaining the exclusive nature of the program. Plants may request that letters be sent to the local MLA, to other Government of Alberta Ministers and senior officials, to local officials (ex. Mayors or Reeves) to corporate managers in the parent company of the Plant and to others identified by the Plant (ex. other provincial Ministers, federal officials or Ministers, to financial institutions).

### **2. Recognition**

ALBERTA ENVIRONMENT will develop a Champion level web page on the EnviroVista site. Champion level participants will receive a special certificate of recognition and will have use of a special logo, distinct from the Leader logo. ALBERTA ENVIRONMENT will use its web site to greater effect in recognizing Champion participants, possibly including pictures, stories and testimonials as well as links to the Plant or corporate web page. ALBERTA ENVIRONMENT in its annual conference and in its participation in other public events (ex: Special Weeks) will give special mention to Champion level participants and their achievements. Senior ALBERTA ENVIRONMENT officials, and the Minister will publicly recognize participants in the Champion level when speaking in public.

### **3. Coordinated Communications with Participating Facilities**

ALBERTA ENVIRONMENT will coordinate with Champion level participants on press releases at the time of entry in to the program. Communications would focus on the voluntary beyond regulatory compliance nature of the program and on the partnership approach to environmental management where the department and Plant share responsibility for improvement in environmental outcomes. Such coordination will also be available if a Plant that withdraws is subjected to Program sanctions related to the Stewardship Agreement.

### **4. Support for Applications for Environmental and other Awards**

ALBERTA ENVIRONMENT will provide written support for all participating Champion level Plants' applications for third party environmental awards (ex: Consulting Engineers of Alberta Environmental Awards, Canadian Council of Ministers of the Environment Pollution Prevention Awards, Alberta Emerald Awards...). Regulator support of applications for such awards can provide additional credibility and is often a requirement for a complete submission. ALBERTA ENVIRONMENT will post notices on its web page recognizing EnviroVista winners of these awards.

### **5. Ongoing Participation in Program Development**

The program continues to evolve. The Champion level when established puts the basic program framework in place, however there are many enhancements that could be pursued. Bringing other regulatory agencies in to the program (ex. EUB, SRD), offering sector wide participation, offering corporate wide participation, having categories of Champion level agreements (ex. emission related, reclamation related...) are a few concepts that could be explored. Three seats on the EnviroVista Public Advisory Committee are available to Champion level participants.

## **6. Policy Forums**

The Minister of Alberta Environment, or a delegate, will meet annually with executives of Champion level participants to discuss new policy direction by ALBERTA ENVIRONMENT. These forums are an opportunity for company executives to provide input on policy formation and potential regulatory changes.

## **7. Regulatory and Process Changes**

In the longer term, Champion level participants can use the program as a means for identifying regulatory changes that would be incentives to continue to participate in the Program (ex: evergreen approvals, or longer terms between approval renewals for participants...). Champion level participants can also use the program to recommend process changes (ex: increased use of Director discretion to allow amendments to an approval, provided the changes will have no adverse effect on the environment).

## **8. Priority Treatment in Applications**

ALBERTA ENVIRONMENT will move Champion level applications for amendments, renewals and approvals to the front of the applications line.