

July 28, 2008

## **Natural Resources Conservation Board issues decision on Alberta Sulphur Terminals project**

*Edmonton...* A panel of the Natural Resources Conservation Board (NRCB) has determined that Alberta Sulphur Terminals' proposed sulphur forming plant is in the public interest, and is not likely to result in significant adverse social or environmental effects. The plant will be located in the Industrial Heartland region of Lamont County, near Bruderheim.

The panel concluded that the plant will be an economic benefit to the region and a useful response to by-product sulphur generated from upgrader and refinery operations. The project will provide an alternative to the significant amount of sulphur generated by upgraders in Alberta that is block formed and placed in long-term, above ground storage.

The decision report includes conditions of approval to minimize and manage potential impacts that are in addition to the commitments made by the applicant that address safety, community impact and environmental mitigation. The approval is also subject to a requirement set out by the panel that Alberta Sulphur Terminals must submit a revised emergency response plan to the satisfaction of the NRCB before construction commences.

*Natural Resources Conservation Board Act* decisions that determine that a project is in the public interest are forwarded to Cabinet for approval, and require an Order in Council.

The NRCB is an independent, quasi-judicial agency of the Government of Alberta. It is responsible for determining whether natural resource projects are in the public interest, by considering the social, economic and environmental effects of proposed projects.

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**Note:** The full decision report is posted on the NRCB website: <http://www.nrcb.gov.ab.ca>

**Attachment: Backgrounder**

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## **Project description**

The plant will produce 3000 tonnes/day of sulphur pastilles, with short term, on-site storage. Sulphur is primarily used in the production of agricultural fertilizers. The facility will potentially provide service for oil and gas production and refining operations from Fort Saskatchewan, Fort McMurray and Lloydminster, taking the by-product of oil and gas upgrading and refining, and processing it into high quality sulphur pastilles for export. The primary markets for formed sulphur are the United States, Asia Pacific and North Africa. Currently, a significant amount of sulphur generated by upgraders in Alberta is block formed and placed in long term, above ground storage.

## **Location**

The site is located in the Industrial Heartland region of Lamont County, west of the fourth meridian near Bruderheim. It has direct access to both the Canadian Pacific and Canadian National railway lines, and is zoned "medium/heavy industrial policy area."

## **Key issues considered by the panel**

The key concern related to the project is the release of SO<sub>2</sub> gas (sulphur dioxide) in the unlikely event of a large fire. The panel gave close attention to the application's safety measures for mitigating hazards and the facility's emergency response capabilities.

Key issues considered by the panel also included potential social, health, property, safety, infrastructure and environmental impacts, including noise, increased vehicle traffic, light, fugitive dust emissions and impact on agricultural land.

## **Panel conclusions**

The panel is an independent body. Its conclusions are:

- The project is in the public interest, taking into account its potential environmental, economic and social impacts.
- The project will have a positive economic impact during the construction phase and from annual taxes and labour. Capital costs are anticipated at more than \$30 million. The annual economic impact is estimated at \$35 million, exclusive of taxes, with the vast majority of the benefit occurring in Alberta. The project will create 22 full time, permanent positions, and the applicant has committed to hire labour and source services locally where possible.
- The plant will provide a useful alternative to the long-term, above ground, block storage currently used for a significant amount of by-product sulphur generated from upgrader and refinery operations in Alberta.
- The location of the project is consistent with municipal planning documents, and with other industrial development in the region. The scale of the project is modest compared to other industry in the Industrial Heartland.
- Alberta Sulphur Terminals conducted a credible risk assessment and is committed to using appropriate management practices for maintaining a safe environment and ensuring public safety.

### **Conditions of approval**

The panel set out 12 mandatory conditions in addition to commitments made by Alberta Sulphur Terminals that address safety, community impact and environmental mitigation. The conditions imposed by the panel include the following:

- Submission of a revised emergency response plan to the satisfaction of the NRCB as a precedent to the approval. Construction may not begin prior to NRCB acceptance of the plan.
- Mandatory monitoring and reporting of H<sub>2</sub>S levels that exceed 10 ppm in the molten sulphur received in the plant and in the receiving area.
- Additional design research for the wind screen, and mandatory reporting if the storage pile exceeds the height of the wind screen.
- Additional noise impact assessments and surveys, and compliance with ERCB Noise Directive 038.
- Additional requirements for groundwater and surface water monitoring.
- Requirement that reasonable costs necessitated by the project, associated with storm water management, access to the regional water line and necessary upgrades to RR 202 be paid.

### **Review process**

The Alberta Sulphur Terminals proposal was referred to the NRCB by Order in Council on July 12, 2006. The NRCB received the application from Alberta Sulphur Terminals on July 13, 2007. As required under the *Natural Resources Conservation Board Act*, the applicant prepared and submitted an environmental impact assessment (EIA) to Alberta Environment. Alberta Environment declared that the EIA report was complete, pursuant to the *Environmental Protection and Enhancement Act*, on November 24, 2008.

The NRCB conducted a pre-hearing on January 27, 2009 in Lamont, Alberta to determine intervener status and the major issues to be examined at the hearing, and visited the site on April 13, 2009. The public hearing took place April 14 – 17 in Fort Saskatchewan, Alberta. The decision report includes the complete list of interveners.