



Telephone: (250) 387-1543
Facsimile: (250) 387-2208

File: 30150-03/Kitimat-05-06

November 17, 2006

Shawn Zettler
Environmental Engineer
Alcan Primary Metal – BC
PO Box 1800
Kitimat BC V8C 2H2

Dear Mr. Zettler:

I am writing to respond to your enquiry concerning whether or not the proposed modernization and expansion of Alcan's aluminium smelter at Kitimat (Kitimat Works) would be subject to the *Environmental Assessment Act* (Act).

The Reviewable Projects Regulation (Regulation) defines the projects that are automatically reviewable under the Act. Column 3 of Table 2 of the Regulation outlines the criteria for determining if a modification of an aluminium industrial facility is reviewable. The thresholds mentioned in Column 3 of Table 2 are defined in section 6 of the Regulation. In general terms, the modification of an aluminium industrial facility is reviewable if it will result in:

- an increase of at least 30% in the total waste discharge from the facility (Threshold A), where total waste discharge is calculated using the contaminant weighting factors in Appendix 1 of the Regulation; OR
- an increase in the production capacity of the facility of at least 35% but less than 50%, unless the modernization results in a decrease of 10% or more in the total waste discharge from the facility (Threshold B). As in the first bullet, total waste discharge is calculated using Appendix 1; OR

.../2

**Environmental
Assessment
Office**

Mailing Address:
PO Box 9426 Stn Prov Govt
Victoria BC V8W 9V1

Location:
1st & 2nd Fl – 836 Yates Street
Victoria



- an increase in the production capacity of the facility of at least 50% (Threshold D).

According to the information provided to the EAO, we understand that the production capacity of the Kitimat Works facility will be increasing from its current capacity of 275,000 tonnes per year of aluminium to approximately 370,000 to 400,000 tonnes per year. This is an increase of approximately 35 to 45 percent, and therefore the proposed modernization and expansion of Kitimat Works does not trigger Threshold D (an increase in the production capacity of at least 50 percent).

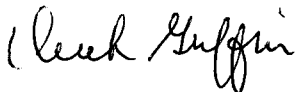
We have also reviewed the latest total waste discharge calculation for the expansion of the Kitimat Works facility provided by you on October 13, 2006, and understand that the total waste discharge is expected to decrease by approximately 44 percent through replacement of the existing aluminium smelting technology with new AP 35+ pre-bake technology. As a result, the proposed modernization and expansion of Kitimat Works does not trigger Threshold A or B.

In conclusion, the proposed modernization of Kitimat Works is not a reviewable project under the Regulation as it does not meet Threshold A, B or D.

Please note that the Minister of Environment has the discretion to designate a project as reviewable if the project is not substantially started at the time of the designation, and if the Minister is satisfied that the project may have significant adverse effects and that the designation is in the public interest. At this time, the Environmental Assessment Office is not aware of any intention by the Minister to designate the project as reviewable.

If you have any questions, please do not hesitate to contact me at 250-387-1543 or at Derek.Griffin@gov.bc.ca.

Yours truly,



Derek Griffin
Project Assessment Director

pc: Sandy Mackintosh, EHS Manager, Alcan, Kitimat
Don Timlick, Economic Resource Officer, Alcan, Vancouver
Ian Sharpe, Ministry of Environment
Frazer McKenzie, Ministry of Environment