

Washington Department of Ecology
Nippon Paper USA
Public Footprint Meeting



Friday, October 26, 2007
Welcome

Meeting Agenda

- Welcome and Introductions
 - Introduction of project and team (10 min.)
 - Current mill activities (10 min.)
 - Overview of agenda (5 min.)
 - General question & answer session (5 min.)
- Participation in Indicator Development
 - Description of indicator concept and examples (5 min.)
 - Task clarification and discussion (5 min.)
 - Small group brainstorming (45 min.)
 - Social indicators
 - Environmental indicators
 - Economic indicators
 - Report back to large group (20 min. – All)

Meeting Agenda continued...

- Presentation of draft indicator list (10 min.)
- BREAK (10 min.)
- Collaborative preference ranking of indicators (15 min.)
- Full group brainstorm on performance
 - improvement strategies (20 min.)
- Summary and Conclusion
 - Review of progress (5 min.)
 - Presentation of web page, survey and next steps (10 min.)
- Thanks and closing (5 min.)

Introductions

Department of Ecology

- Marc Crooks, Environmental Engineer 5
- Angie Fritz, Environmental Specialist 2
- Carol Kraege, Industrial Section Manager

Earth Economics

- Dr. Paula Swedeen, Project Leader
- James Pittman, Public Involvement

Nippon Paper USA

- Harold Norlund, Resident Mill Manager
- Paul Perlwitz, Environmental Manager

NPI USA

Port Angeles Mill

- NPI USA is 100% Owned by Nippon Paper Industries of Japan, Parent is Nippon Paper Group
- Nippon Paper Group is the 10th Largest P&P Company in the World - \$11 Billion Sales
- NPI USA is the only 100% owned NPI facility in the USA
- NPI Japan owns
 - 50% (Weyco) of Norpac Newsprint Mill in Longview WA
 - 50% (Marubeni) of DMI kraft – Peace River Alberta
 - 25% (West Fraser/Marubeni) Cariboo P&P – Quesnel BC

NPI USA

Port Angeles Mill

- We produce 160,000 tons per year of Telephone Directory Paper on two paper machines
- Recycle ONP for Pulp (40 % of finished paper), Residual Sawmill Chips for Mechanical Pulp (Portac/Interfor), kraft (Weyco), clay filler(GA)
- NPI/Daishowa Owned Paper Mill since 1988
- \$122 MM in Sales
- 238 employees – 6 Year Labor Contract (2011)
- \$27 MM in Salaries & Benefits

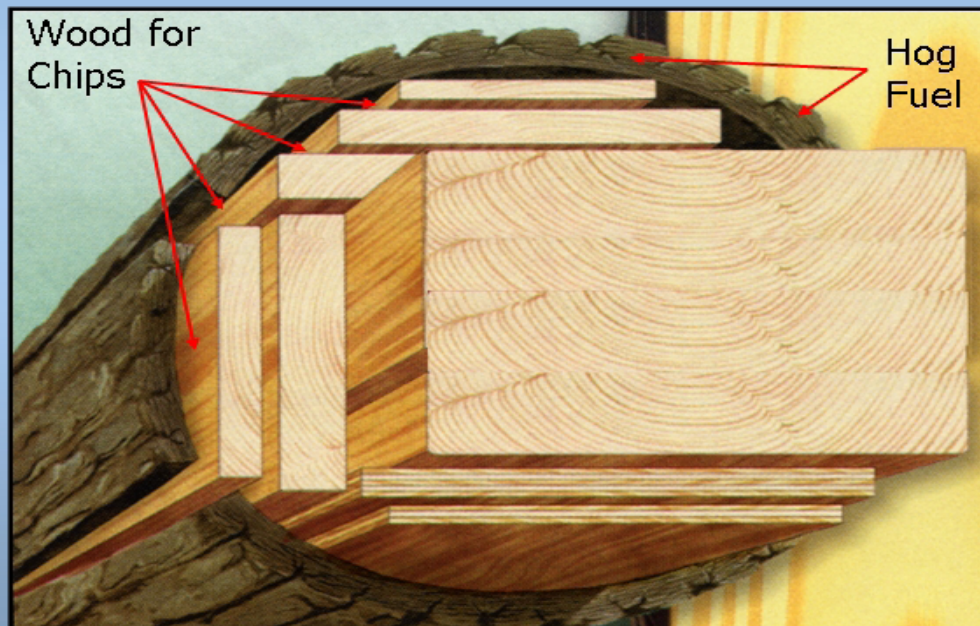
NPI USA

Use of Residual Fiber

Residual Wood Fiber

Question – What are residual waste wood chips and hog fuel?

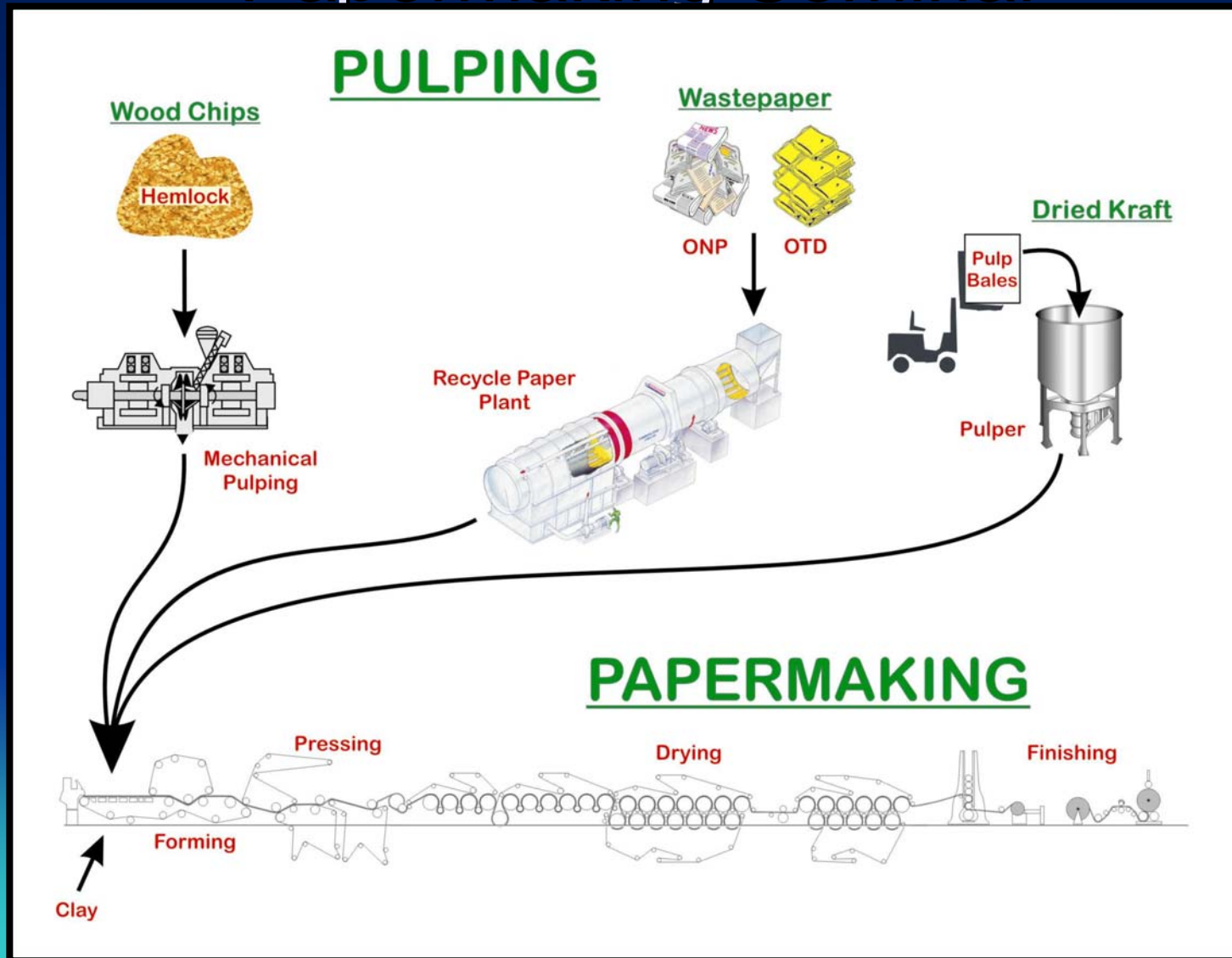
Answer – The residual waste chips are the areas of the tree that can't be used for lumber as shown on the diagram. Hog fuel is the outer bark and thin slivers of wood not usable as chips.



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NPI USA

Papermaking Seminar



NPI USA

Environmental Leadership

- Beneficial reduction of green house gas emissions by reducing steam demand and using more carbon neutral hog fuel and less fossil fuels (oil). Today over 80% of total mill steam demand is from biomass (hog fuel).
- Total Steam per produced ton of paper reduced 25% from 1999
- Oil consumption reduced 60% from 2002
- SO2 emissions reduced 49% from 2002
- Particulate reduced from Heat recovery projects and mechanical dust collector rebuild - 45% reduction in total from 2001
- Designing Environmental Management System with plan for audit for ISO 14001 in November 2007
- Participating in Elwha Dam removal project to restore salmon runs to Olympic National Park

NPI USA

Environmental Leadership

- Reducing our impact on the environment
 - The combination of filler, recycled fiber and SFI certified residual sawmill chips to fiber makes up over 80% of the material in our finished product
 - The remaining fiber is residual sawmill chips from small local managed tree farms or from DNR managed Federal lands (recent DNR & environmental groups agreement to increase allowable annual cut)
 - 40 % Recycle Fiber content in finished product
 - Recycling of Old Telephone Books (Only directory mill)
 - No Boreal, Old Growth or Rain Forest Fiber
 - No Water or Air Permit Violations
 - No outstanding Environmental Issues

NPI USA

Environmental Leadership

- NPI USA does not purchase any fiber from Canadian, European or Siberian Boreal Forests.



Industrial Footprint Project

- A comprehensive analysis of an industrial facility's impact on their community
- Attempt to develop an analysis for an industry sector.
- Complete an energy challenge.
- Choose a future industrial sector for analysis.
- Write a report which will include a conclusion and recommendation for any future efforts.

Budget

- Total budget is \$254,265.
- EPA grant amount is \$182,105.
- Ecology matching funds amount is \$72,160.
- Consultant team contract amount is \$100,000.

Milestones

- **Secure mill participation**
- **Select sector indicators**
 - Identify and draft sector indicators
 - Finalize sector indicators
- **Conduct community outreach**
 - First round of stakeholder meetings
 - Online comment form posted on October 31
 - Second round of stakeholder meetings
 - Online comment form posted
 - Final stakeholder report
- **Select indicators for 8 mills**

Milestones continued...

- **Amend Quality Assurance Project Plan (QAPP)**
- **Develop baseline mill and sector footprints**
 - Collect data
 - Spreadsheet tool for calculation developed
 - Baseline footprints complete
- **Initiate and conduct energy challenge**
 - Report evaluating each mills carbon footprint
- **Final Report**

Web Page

<http://www.ecy.wa.gov/programs/swfa/industrial/IndFootprint.html>

- Background information
- Most recent Quarterly Report to EPA
- Full milestone chart

General
question and answer
session

Participation in Indicator Development

1. Clarification and examples of indicators...
2. Small group brainstorm of indicators; 15 minutes each on social, environmental, and economic (choose a person to record list on paper)
 - All ideas are invited; creativity encouraged.
 - Build on each other as thinking sparks new ideas.
 - Judgment, debate, criticism are not welcomed.
3. Draft indicator list review
4. Preference ranking process
5. Further discussion and brainstorming.

Questions on this indicator development process?

Social Indicators

- Environmental Nuisance
- Labor Practices and Decent Work
- Safety
- Human rights
- Environmental Justice
- Social Awards

Environmental Indicators

- Materials
- Energy
- Water
- Air
- Biodiversity and natural Habitat
- Remediation Projects
- Compliance
- Waste

Economic Indicators

- Payroll, including benefits
- Federal and State Taxes
- Subsidy or government-assisted financing
- Community Involvement

Small Group Report

Report back to large group

Draft Indicators

Present current status of draft indicators information

10 Minute Break

Ranking

Collaborative preference ranking
of indicators

Full Group Discussion

- What other issues or opportunities do you see for mill participation in the Industrial Footprint Project?
 - Indicator scoring and tracking change over time.
 - Proposed strategies for performance improvement.
 - Index or group of indicator categories.
 - Other possibilities for sustainability innovation?

Summary

- Review Progress
- Web page updates
- Online comment form
- Next steps

Conclusion

Thank you!

<http://www.ecy.wa.gov/programs/swfa/industrial/IndFootprint.html>