

December 10, 2007

Mr. David Onuczko
Executive Director
Northeast Capital Industrial Association
#204, 9902 – 102 Street
Fort Saskatchewan, Alberta
T8L 2C3

Dear Mr. Onuczko

RE: Northeast Capital Industrial Association (NCIA) Regional Noise Management Plan (RNMP) Compliance Framework

The EUB Environment Group staff reviewed your letter dated November 7, 2007 requesting a formal written acknowledgement by the EUB of the NCIA RNMP proposed compliance framework pursuant to EUB Directive 38: Noise Control.

In response to your request, the EUB acknowledges that the proposed compliance framework and regional baseline noise model concept presented in the NCIA letter dated November 7, 2007 is acceptable with respect to RNMP requirements outlined in Section 5.1 of Directive 38. The EUB understands that:

- NCIA-member companies will demonstrate compliance with Directive 38 by implementing the RNMP,
- compliance to the RNMP is based on the regional noise model baseline and conformance to the requirements outlined in the RNMP framework,
- new NCIA-member facilities will participate in the RNMP.

Please be advised that the existing resident PSLs and Directive 38 compliance process must be used until the regional noise model is approved, implemented and the regional noise baseline is established. We also understand that details of the noise model and compliance framework will be determined during the development process. We agree with your public engagement approach to use the Industrial Heartland Collaboration to Address Residents Interests (IHCARI) process in ongoing development of the RMNP.

Finally, we understand that the NCIA will be submitting a written request to the EUB Environment Group for \$30,000. The EUB approved this money for NCIA to use as seed money to develop the regional noise model. This money must be requested immediately.

The EUB looks forward to working with the NCIA to develop the regional noise model and the RNMP. Please contact Ken Banister (403-297-4786) if you have any questions regarding this letter.

Sincerely;



Brenda Austin
Manager
Environment Group

CC: Don Burke, EUB Environment Group
Ken Banister, EUB Environment Group
Greg Schroter, EUB St. Albert Field Centre



Ms. Brenda Austin
Manager
Environment Group
Alberta Energy and Utilities Board
640 - 5th Avenue SW
Calgary, Alberta
T2P 3G4

November 7, 2007

Dear Ms. Austin:

RE: **NCIA Regional Noise Management Plan (RNMP)
Compliance Framework pursuant to Noise Directive D-38**

A formal written acknowledgement of understanding respecting NCIA RNMP Compliance Framework pursuant to D-38 is hereby requested.

Approval of the NCIA Regional Noise Management Plan (RNMP) was received from the Alberta Energy and Utilities Board (EUB) in a letter dated February 14, 2007.

In February 2007, the EUB Directive D-38 was published and in June the NCIA Board of Directors endorsed the RNMP provisions with a resolution to amend the Association's Charter/By-laws subject to clarifications relating to compliance expectations. Section 5.2 of D-38 states that if confirmed by EUB that a standard PSL compliance approach is not practical "an acceptable detailed Noise Management Plan (NMP) may be used", however the provision does not address the compliance framework that would be used.

Following discussions with your staff, an understanding of the compliance framework was reached, and has been captured, along with additional RNMP details in the attached document entitled "*NCIA Regional Noise Management Plan Pursuant to EUB Noise Directive D-38, October, 2007*".

In summary a NCIA member-company would be in compliance with D-38 by implementing RNMP terms. A regional noise model would be used to first establish the benchmark against which effectiveness of the plan would be gauged. Areas of concern would continue to be worked between the EUB and affected entities.

It is NCIA's position that NCIA members are only a contributing source of noise in the Industrial Heartland region. Noise is a cumulative issue in the region and the success of regional noise mitigation can only be achieved if abatement of all sources of noise is considered. Accordingly, NCIA is encouraging the EUB to engage other stakeholders to participate in establishing

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frameworks that involve applying best practices applicable to their sectors. These other sectors include but are not limited to oil and gas production, non-EUB regulated light/ medium industry and rail and road transportation.

In closing, NCIA wishes to acknowledge guidance and support received from you and EUB staff in developing the precedent setting framework for regional noise management and your commitment of financial and technical support to the development of a key component of the RNMP the regional noise model. The regional noise modelling project will be initiated once the EUB Board acknowledgement is received.

We look forward to your approval.

Respectfully,



David Onuczko
Executive Director
Northeast Capital Industrial Association

Cc Don Burke EUB
Robert Lacroix Dow
Peter St. George Shell Canada

Attachment

Overview

In keeping with provisions of the *EUB Noise Monitoring Directive D-38*, the NCIA has developed a Regional Noise Management Plan. A component of that plan is public engagement and NCIA proposes to use these currently established regional issues resolution processes led by the Industrial Heartland Collaboration to Address Residents Interests (IHCARI).

The Framework

NCIA members participating in the RNMP are required to implement the following framework:

1. NOISE CONTROL COMMITMENT STATEMENT:

NCIA member-company senior management sets clear expectations for management of noise compliance at their site(s).

2. SITE NOISE MANAGEMENT PLAN:

NCIA member-company develops and implements a documented SITE NOISE MANAGEMENT PLAN (NMP) that integrates occupational and environmental objectives. The plan uses an in auditable management system model and includes the following elements at minimum:

- Source Identification
 - Formal gap analysis of hearing conservation (noise control) programs against the Alberta OH&S standard.
- Assessment (routine and planned)
 - Noise baseline at plant to reflect normal operation
 - Complaint management process
- Abatement strategies
 - Engineering control practices for selecting new equipment and for abatement of existing noise sources. The following references prepared by the Best Practices Subcommittee will serve as a benchmark tools.
 - "General & Equipment Specific Engineering Control Noise Reduction Strategies" documents as prepared in HFP/ATCO.

- Phase II Database Tool (once developed) with engineering and costing tools for evaluation of noise mitigation strategies for both new and existing equipment
 - Work processes such as "Management of Change" to incorporate noise impacts assessment
 - Procurement Practices to assure quality in specified equipment and to promote continuous improvement in design by setting expectations for contractors and manufacturers. Best Practices Subcommittee recommended development of template clause to serve contractual purposes.
3. SELF AUDITS
NCIA member-company
- Surveys to confirm program effectiveness
 - Verification process to track and report on site implementation progress
4. DISCLOSURE OF IMPROVEMENT INITIATIVES TO NCIA
NCIA member-company shares results of annual NMP implementation with NCIA on annual basis
5. REGIONAL NOISE MODEL
Support the development of a Regional Noise Model or alternate noise tracking program for region.
6. PUBLIC COMMUNICATION
Use the IHCARI Synergy Forum to communicate and engage public feedback on the RNMP.

Compliance

Compliance with D-38 is to be demonstrated through conformance with the RNMP

Compliance to the RNMP will be determined on a basis of "Due Diligence".

- Due Diligence – taking all reasonable steps to reduce a given impact
- Compliance will be based on:
 - Regional Model baseline
 - Receptor impact
 - RNMP conformance

The table below summarizes the compliance requirements for NCIA member companies vis a vis the NCIA RNMP.

NCIA Member	EUB Regulated	RNMP Participant	Compliance Vehicle
Yes	Yes	Yes	NCIA - RNMP
No	Yes	No	EUB to Determine
Yes	No	No	Municipality/AENV
Yes	No	Yes	NCIA - RNMP
No	No	Yes	Potential NCIA-RNMP
No	No	No	Other Regulatory Jurisdictions

Conformance

The RNMP framework calls for participating industry to demonstrate due diligence by conforming with the requirements of the plan. Key expectations are as follows:

1. Conformance with individual facility programs
 - Including implementing monitoring, abatement, self audit, annual reporting and other program details
2. Complaint Resolution
 - Partnership with regulator to determine "workable resolution" to noise complaints.
3. Readiness for potential management system verification by regulator (EUB) similar to other regulated activity under current monitoring and enforcement rules
 - E.g. Management system documentation and review, management of Change documentation, etc.
4. Participation in development of the Regional Noise Model
 - Develop a baseline for regional noise by modeling EUB regulated, non-regulated, non-NCIA industry, as well as non-industrial sources.
 - Field verify model results and identify potential problem areas and sources.
 - Companies work with the EUB on continuous improvement plans that provide workable resolutions to potential problem regulated sources
 - New sources coming into the area would use the model to establish incremental impact.
5. Companies that do not demonstrate conformance with the plan would default to PSL compliance.

6. Tracking noise management initiatives and providing an annual status to NCIA to facilitate a comprehensive annual report to the EUB.