



November 18, 2008

Ms. Tracey Braun
Director
Environmental Assessment and Licensing
Manitoba Conservation
123 Main Street
Suite 160
Winnipeg, MB
R3C 1A5

Dear Ms. Braun,

**RE: Request to Amend Manitoba Environment Act Licence 1900 S4
Emission Limits for Pressing and Drying Operations**

Please accept this letter as a formal request to amend the emission limits from the Pressing and Drying operations at LPC's Oriented Strand Board Plant in Minitonas, Manitoba. The objectives of the submittal are three-fold; amend emission limits to WESP stacks as listed in Clause 51 (Environment Act Licence 1900S4); amend emission limits to the Press Vent as listed in clause 57; and clearly demonstrate that the proposed changes in emission limits will not result in significant impact to the surrounding environment and community health.

A favourable review and approval of the proposed licence amendments will allow LP Swan Valley to decommission its Regenerative Thermal Oxidizers (RTOs) thereby reducing operating costs associated with the combustion of natural gas and allowing LP Swan Valley to remain a competitive and viable operation in the OSB industry. This submittal provides the necessary justification to demonstrate that there will be no significant impact on human health or the environment, allowing Manitoba Conservation to approve decommissioning the RTOs (and applicable licence amendments) as a minor alteration to the development.

Manitoba will realize a positive impact through a significant reduction in emissions of greenhouse gases (GHGs). The reduction in natural gas consumption equates to a GHG emission reduction of approximately 11,830 tonnes of CO₂ equivalents per year, which represents a 0.92% reduction in GHG emissions for all stationary combustion sources in Manitoba's manufacturing industries.

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The format for the discussion follows Manitoba Conservation's Alteration(s) In A Development Under the Manitoba Environment Act¹, and Guidelines for Air Dispersion Modeling in Manitoba².

Lastly, it must be stressed that, with annual operation and maintenance costs of over \$3,000,000, the economic burden of operating RTOs places LP Swan Valley at a significant competitive disadvantage as compared to the rest of the OSB industry in Canada. With the current market conditions forecasted into 2010 it is highly conceivable that the Swan Valley OSB mill would shut down indefinitely, directly impacting 175 staff and hourly personnel and various associated contractor log handlers, should the requirement to operate RTOs remain. RTO elimination provides a win for the community by enhancing the long term viability of the plant and therefore the continued prosperity of the communities in and around the valley

We look forward to working with Manitoba Conservation in this most important decision-making process. Please do not hesitate to contact me to discuss any questions or concerns.

Sincerely,



Allan Hambley
Plant Environmental Manager
Swan Valley OSB

cc: Hon. Stan Struthers, Minister of Conservation
Hon. Rosanne Wowchuk, MLA, Minister of Agriculture, Food, and Rural Initiatives
Bruce Wright, Director, Operations, Western Region, MB Conservation
Don Labossiere, Assistant Director, Operations, MB Conservation
Ryan Coulter, Environment Officer, Approvals Branch, MB Conservation
Darren Chmelowski, Plant Chair, USWA Local 1-324
Don Sodersten, Business Team Environmental Manager, LP Corp.
Kevin Betcher, Plant Manager, Swan Valley OSB
Kevin Warkentin, Environmental Manager, LP Canada

W/Attachments

¹ Manitoba Conservation Information Bulletin No.: 2001-03E, March 2007

² Guidelines for Air Dispersion Modeling in Manitoba, Draft Report No. 2006-0x, Nov. 2006