

ANNUAL FPA PROGRESS REPORT
(Issued April 1, 2005)

**Intel Corporation
Ocotillo Campus
Chandler, Arizona**

REPORTING FACILITY

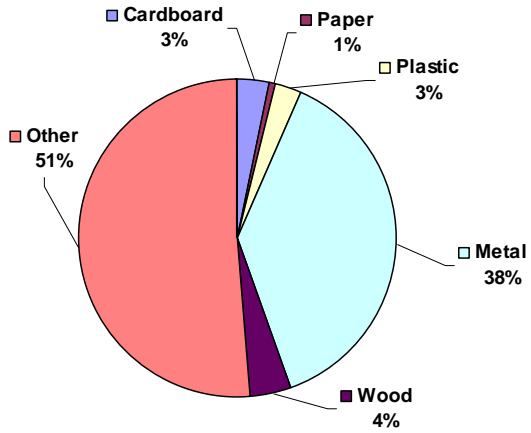
Intel Corporation
Ocotillo Campus
4500 S. Dobson Road
Chandler, Arizona 85248

Year: January 1 - December 31, 2004
Report date: April 1, 2005
Report prepared by: Jim Larsen/ Len Drago
Telephone Number: (480) 715-0206/ (480) 715-0132
Fax Number: (480) 715-5140

2004 SOLID WASTE RECYCLE

Reporting period: January 1 - December 31, 2004

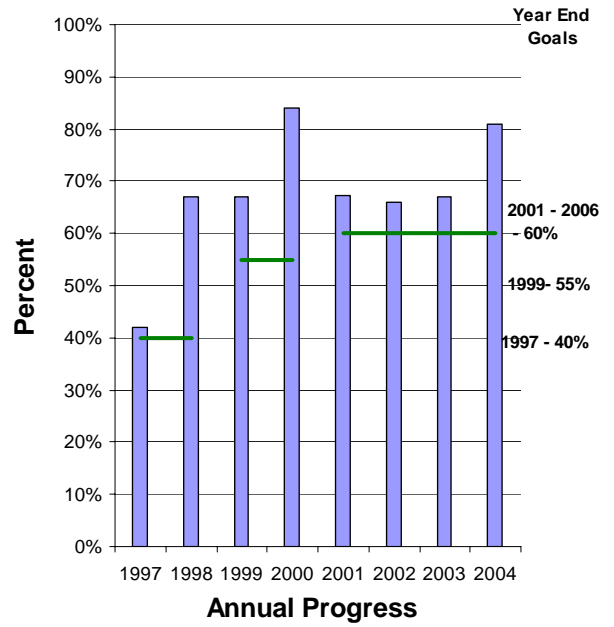
Percent recycled year-to-date (YTD): 81%



Other: Auctions, Donations, Gloves, Glass, Compost, Concrete, Asphalt, and Fab 12 Decommissioning Debris

**5,817 TOTAL TONS SOLID WASTE
RECYCLED IN 2004**

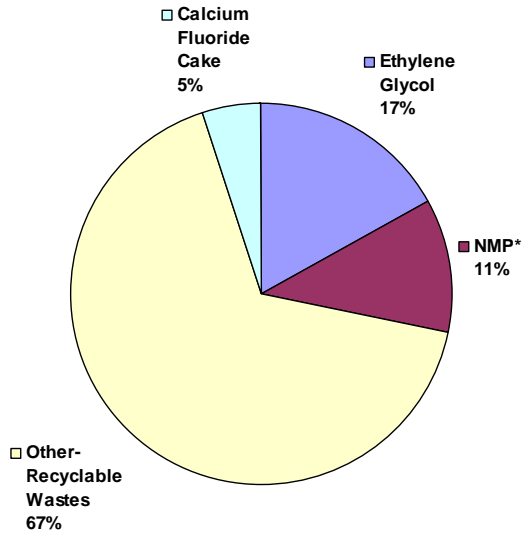
SOLID WASTE RECYCLE



2004 NON-HAZARDOUS CHEMICAL WASTE RECYCLE

Reporting period: January 1 - December 31, 2004

Percent recycled year-to-date (YTD): 75%

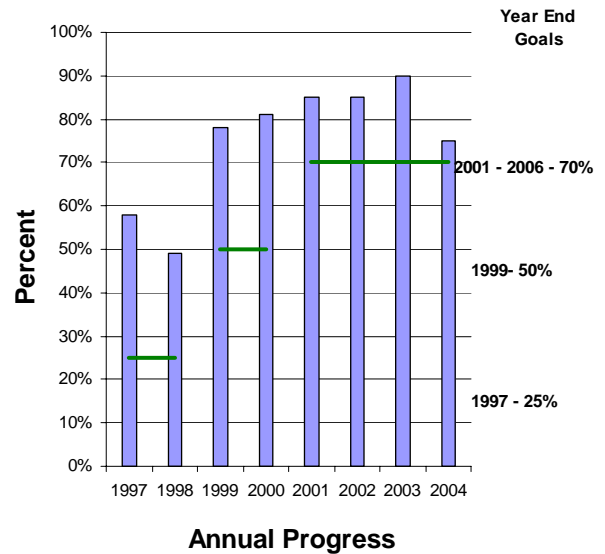


Other: Fluorescent Bulbs, Batteries, Regenerated Carbon, Used Oil, Empty Drums, Fab 12 Decommissioning Debris, and miscellaneous

*NMP- N-Methylpyrrolidone

891 TOTAL TONS NON-HAZARDOUS CHEMICAL WASTE RECYCLED IN 2004

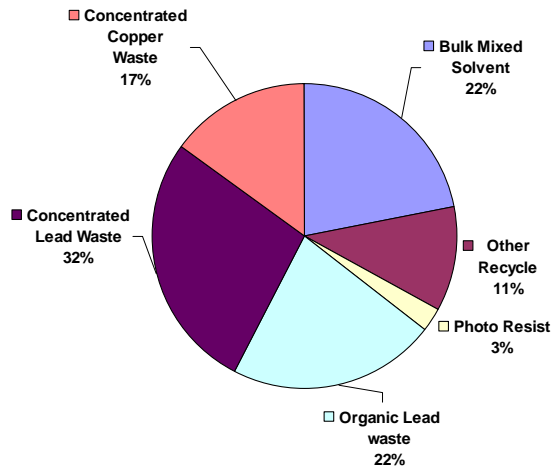
NON-HAZARDOUS CHEMICAL WASTE RECYCLE



2004 HAZARDOUS WASTE RECYCLE

Reporting period: January 1 - December 31, 2004:

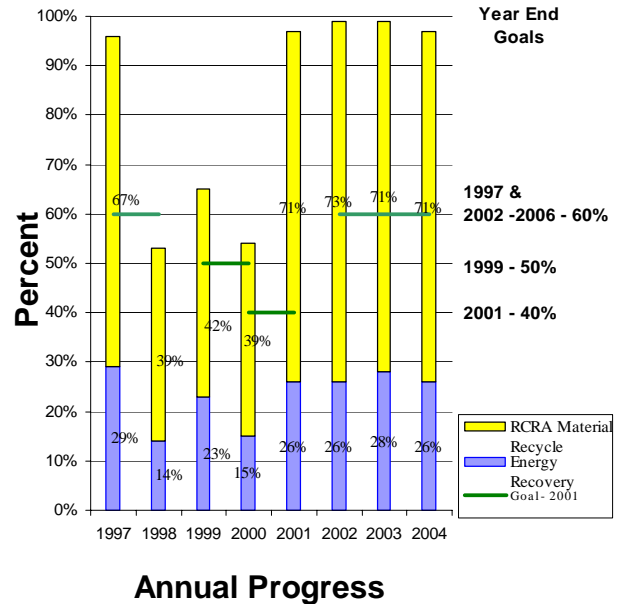
Percent recycled year-to-date (YTD): 98%



Other: Arsenic and Lead Debris, Ion Exchange Resin Beds, Reclaimed Acid containing Lead, Methanol, miscellaneous acids and solvents.

1,152 TOTAL TONS HAZARDOUS WASTE RECYCLED IN 2004

HAZARDOUS WASTE RECYCLE



2004 Site Wide Water Conservation

Reporting period: January 1 - December 31, 2004

Percent conserved for 2004: 74 %

2004 Water Flow Details:

| | |
|--|--------|
| <input type="checkbox"/> Water Recycled Internally | 370 MG |
| <input type="checkbox"/> Reclaimed Wastewater Used | 566 MG |
| <input type="checkbox"/> Water Sent to Chandler RO for Groundwater Recharge | 261 MG |
| <input type="checkbox"/> Incoming City Water | 680 MG |

MG = Million Gallons (total for 2004)

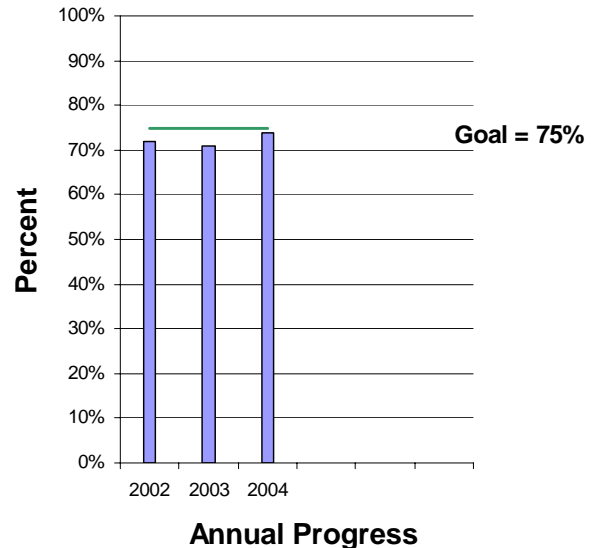
$$\frac{\text{Water Recycled} + \text{Reused} + \text{Recharged}}{\text{All Water Used}}$$

$$\frac{370 + 566 + 261}{370 + 566 + 680} = 0.74 \times 100\% = 74\%$$

Notes:

- The reported performance above may not equal the actual reported performance due to water flow rounding.
- This chart provides 2002, 2003, and 2004 data since 2002 was the first year in reporting Site Wide Water Conservation under the Project XL Renewal.

Site Wide Water Conservation



2004 Net City Water Use Per Capita Per Production Unit

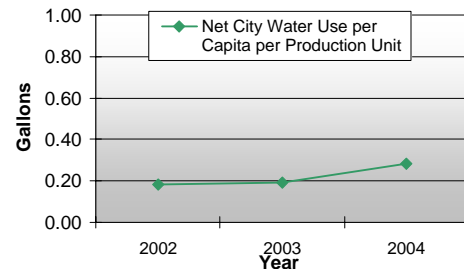
Reporting period: January 1 - December 31, 2004

Note: This chart graphically illustrates the total gallons of net city water used at Intel's Ocotillo site per capita per number of production units produced.

- 2002 = 0.18 gallons per capita per production
- 2003 = 0.19 gallons per capita per production
- 2004 = 0.29 gallons per capita per production

*Net city water use is fresh city water less the water sent to the Chandler RO plant for groundwater recharge.

Net City Water Use Per Capita Per Production Unit



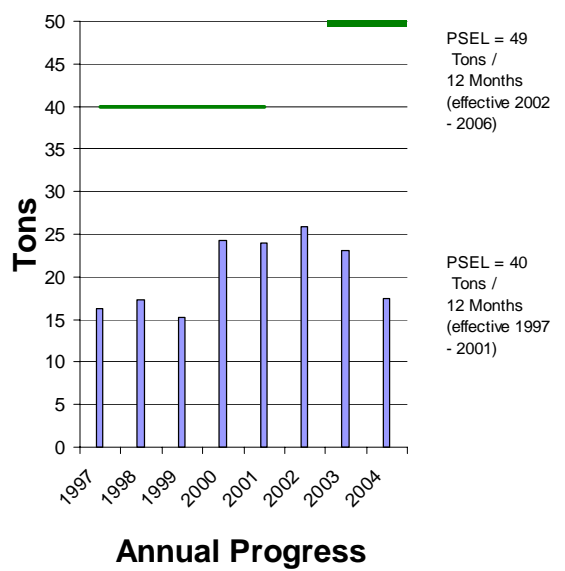
2004 VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

Reporting period: January 1 - December 31, 2004

VOC emissions in tons (12-month rolling summation): 17.4

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 40 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was raised to 49 tpy.

VOC EMISSIONS



2004 ORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

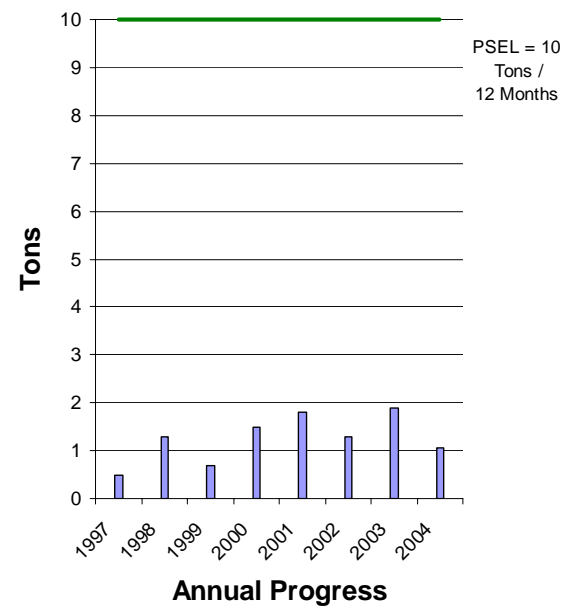
Reporting period: January 1 - December 31, 2004

Individual Organic HAPs:

- Methanol
- Xylene
- Ethylene Glycol
- Acetonitrile

Organic HAPs emissions in tons (12-month rolling summation): 1.06

ORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS



2004 INORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

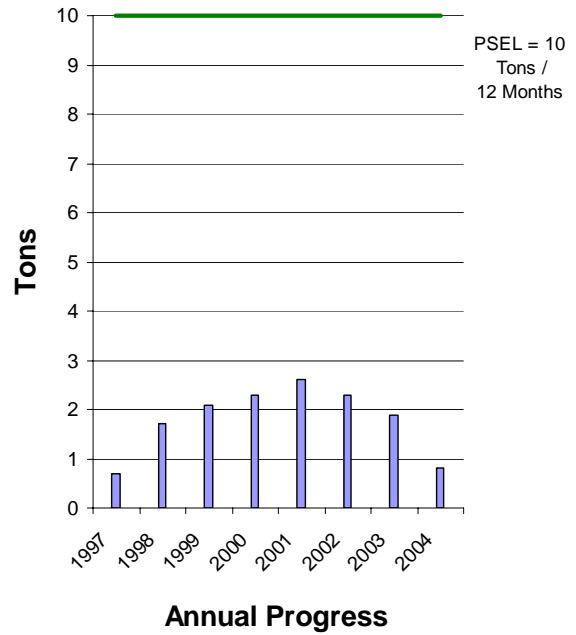
Reporting period: January 1 - December 31, 2004

Individual Inorganic HAPs:

- Hydrofluoric Acid
- Chlorine
- Hydrochloric Acid
- Phosphine
- Arsine

Inorganic HAPs emissions in tons (12-month rolling summation): 0.8

INORGANIC HAPs EMISSIONS



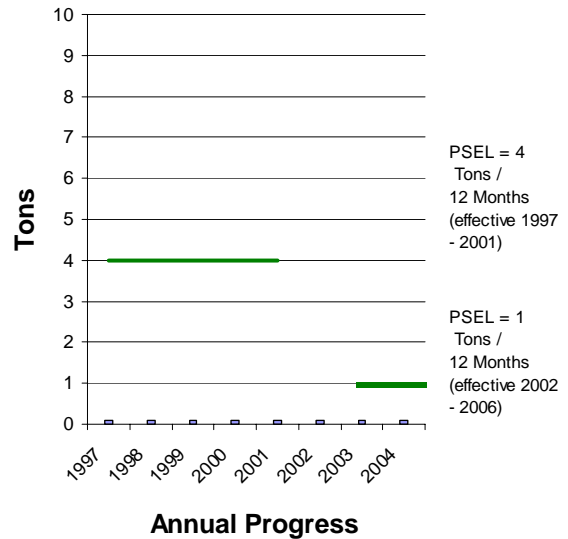
2004 PHOSPHINE EMISSIONS

Reporting period: January 1 - December 31, 2004

Phosphine emissions in tons (12-month rolling summation): 0.02

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 4 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was lowered to 1 tpy.

PHOSPHINE EMISSIONS



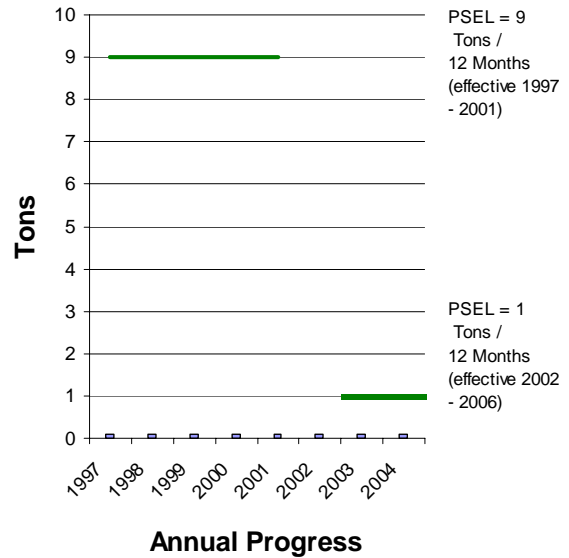
2004 SULFURIC ACID EMISSIONS

Reporting period: January 1 - December 31, 2004

Sulfuric Acid emissions in tons (12-month rolling summation): 0.03

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 9 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was lowered to 1 tpy.

SULFURIC ACID EMISSIONS



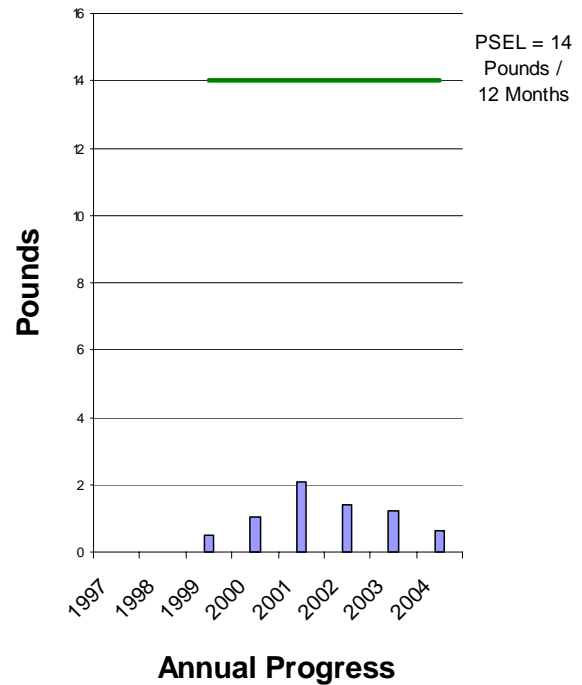
2004 ARSINE EMISSIONS

Reporting period: January 1 - December 31, 2004

Arsine emissions in pounds (12-month rolling summation): 0.62

Note: Arsine Plant Site Emission Limit of 14 pounds per year was established in 1999 due to the introduction of a new process at Fab 12 utilizing Safe Delivery System Arsine. Arsine is reported in pounds vs. tons for all other air emissions, so scale is different.

ARSINE EMISSIONS

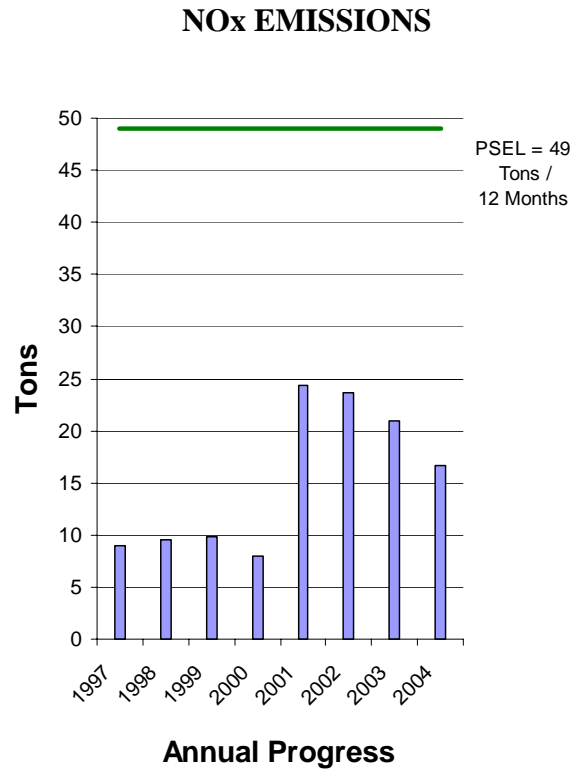


2004 NITROGEN OXIDE (NO_x) EMISSIONS

Reporting period: January 1 - December 31, 2004

NO_x emissions in tons (12-month rolling summation): 16.6

Note: The increase in emissions shown from 2001 and beyond is from expanding the Ocotillo site with the construction and operation of Fab 22.

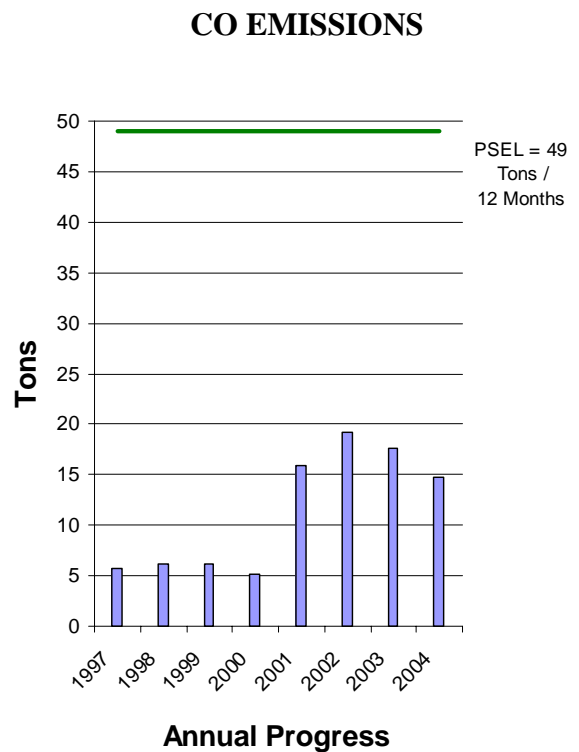


2004 CARBON MONOXIDE (CO) EMISSIONS

Reporting period: January 1 - December 31, 2004

CO emissions in tons (12-month rolling summation): 14.7

Note: The increase in emissions shown from 2001 and beyond is from expanding the Ocotillo site with the construction and operation of Fab 22.



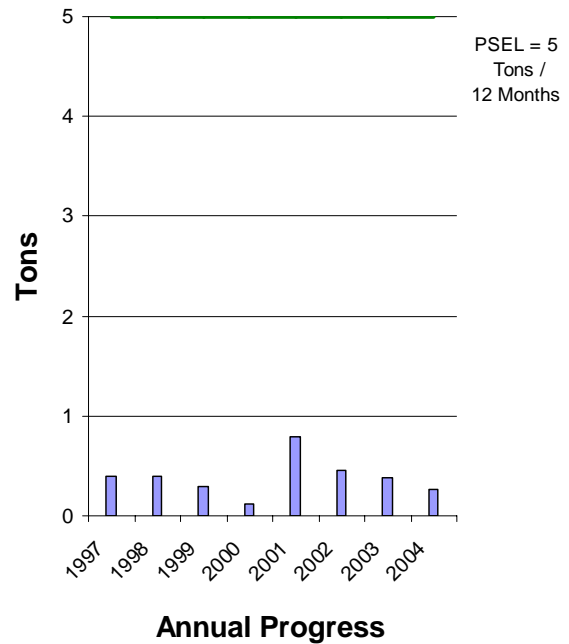
2004 SULFUR DIOXIDE (SO₂) EMISSIONS

Reporting period: January 1 - December 31, 2004

SO₂ emissions in tons (12-month rolling summation): 0.26

Note: The increase in emissions shown from 2001 and beyond is from expanding the Ocotillo site with the construction and operation of Fab 22.

SO₂ EMISSIONS



2004 PARTICULATES (PM10) EMISSIONS

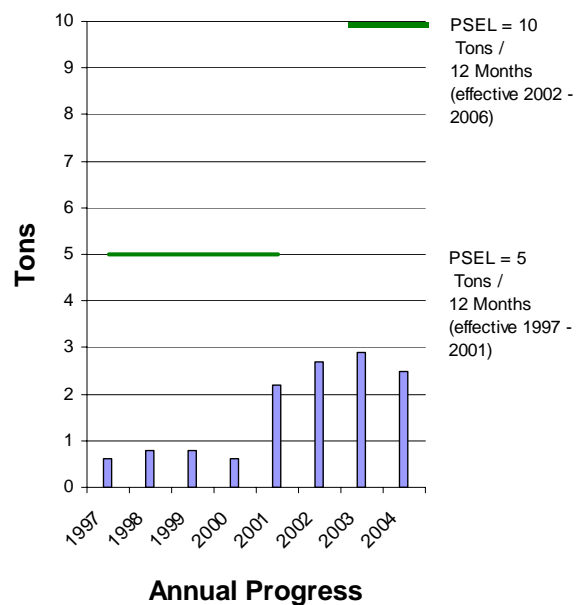
Reporting period: January 1 - December 31, 2004

PM10 emissions in tons (12-month rolling summation): 2.5

Notes:

- The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 5 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was raised to 10 tpy.
- The increase in emissions shown from 2001 and beyond is from expanding the Ocotillo site with the construction and operation of Fab 22.

PARTICULATES (PM10) EMISSIONS



OC 2004 ANNUAL FOSSIL FUEL USAGE

| | |
|---|--|
| Natural Gas: | 288 Million Cubic Feet |
| Fuel Oil: | 8,346 Gallons (All Low sulfur content) |
| Emergency Generator Hours of Operation: | 170 hours |

| | | | |
|--|--|---|---|
| <p>2004 PRODUCTION UNIT FACTOR (PUF)</p> <p>Reporting period: January 1 - December 31, 2004</p> <p>Note: The Project XL Renewal FPA states that Intel commits that it will not increase the level of its' emissions beyond the levels proportional to increases in production activities. To demonstrate this commitment, Intel agrees to maintain the production unit factor (PUF) below 1.</p> | <table border="1" style="width: 100%;"> <tr> <td style="padding: 5px;"> <p>VOC 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.15 (Goal < 1)</p> </td> </tr> <tr> <td style="padding: 5px;"> <p>HAP 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.21 (Goal < 1)</p> </td> </tr> </table> | <p>VOC 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.15 (Goal < 1)</p> | <p>HAP 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.21 (Goal < 1)</p> |
| <p>VOC 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.15 (Goal < 1)</p> | | | |
| <p>HAP 2004 PUF</p> <hr style="width: 50%; margin: 0;"/> <p>1997 PUF</p> <p style="text-align: right;">= 0.21 (Goal < 1)</p> | | | |
| <p>2004 SARA TITLE III (FORM R) – This information will be provided in the Q2/'05 report as agreed upon by the Project XL Stakeholder Team in the renewal process</p> | | | |

Commitment

The Site Wide Water Conservation performance year end for 2004 was 74% which was slightly below goal of 75%. The primary reasons for the increase in performance of 71% in 2003 to 74% in 2004 was due to:

- Fab 12 conversion startup and continuation in 2004
- Fab 22 implemented additional water conservation strategies in the beginning of the second quarter of 2004
- Throughout 2004 there was continued effective use of reclaimed water for site irrigation and dust control during the Fab 12 conversion activities

This site wide water conservation continues to be a very aggressive goal especially as Fab 12 returns to production in 2005. Intel will continue to evaluate the most effective ways to conserve water through these progressive water conservation systems:

- Internal water recycling programs that take water back into the factory processes
 - Reclaimed wastewater for reuse in industrial systems like cooling towers, scrubbers, and landscaping
 - Chandler Reverse Osmosis treatment plant where water is treated to drinking water standards and re-introduced back into the aquifer for groundwater recharge
-
-

2004 OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT

Sun Lakes Household Hazardous Waste Collection Day

On March 6, 2004 Sun Lakes, Maricopa County and Intel partnered with Sun Lakes to sponsor the 2nd Sun Lakes Household Hazardous Waste Collection Day. Supervisor Fulton Brock (Maricopa County) participated in this years event.

Two years ago, Intel partnered with Sun Lakes community and Maricopa County for the first organized household hazardous waste collection day which brought in about 14,000 pounds of household hazardous waste. This years event more than doubled that volume with close to 25,000 pounds collected.



This is one of 2 collection points supported by volunteers



Left to Right: Joan Ayers (Sun Lakes 1 HOA), Maricopa County Supervisor Fulton Brock, Jim Graham (Manager Sun Lakes 1 HOA), and Dave Olney (Intel)

Arizona Students Recycling Used Technology (StRUT) Program - Intel Sponsors Computer Recycle Day

Intel again sponsored a computer recycle day being coordinated by Arizona Students Recycling Used Technology (AZ StRUT). This event provides the public an opportunity to donate computers and equipment that will either be refurbished by AZ StRUT classrooms or recycled for their components. After the computers are refurbished, they are donated to local non-profit organizations and schools. Because AZ StRUT is a non-profit organization, all donations may be tax deductible and donation tax slips are made available at all drop-off sites. This year, cell phones were also accepted and donated for victims of domestic violence.

The recycle day was held on Saturday, April 24, 2004 from 8 a.m. to noon at the following locations:

| | |
|------------------|---|
| Chandler: | Hamilton High School, 3700 S. Arizona Ave. |
| Gilbert: | Gilbert High School, 1101 E. Elliot Road |
| Glendale: | ASU West, 4701 W. Thunderbird Rd |
| Phoenix: | The Phoenix Zoo, 455 N. Galvin Parkway |
| Apache Junction: | Excalibur High School, 10839 E. Apache Trail Ste. 113 |
| Surprise: | APS Service Center, 16800 N. Dysart Road |
| Tempe: | Tempe High School, 1730 S. Mill Ave. |
| Valleywide: | Data Doctors Stores - 14 Locations (until 4:00 PM) |

Drop-offs were also available at the following Staples store locations during regular Saturday business hours:

| | |
|-------------|-----------------------------|
| Chandler: | 1157 W. Chandler Blvd., |
| Gilbert: | 1455 West Warner Road |
| Glendale: | 4350 W. Camelback Rd. |
| Glendale: | 6040 West Behrend Dr. |
| Mesa: | 1353 S. Alma School Rd. |
| Mesa: | 7032 East Hampton Ave. |
| Peoria: | 7865 W. Bell Road |
| Peoria: | 10310 N. 91st Ave. |
| Phoenix: | 1801 E. Camelback Rd. |
| Phoenix: | 2760 W. Peoria Ave. |
| Phoenix: | 26 W. Osborne Road |
| Phoenix: | 10815 N. Tatum Blvd. |
| Phoenix: | 17037 North 7th Ave. |
| Phoenix: | 2020 N. 75th Ave., Suite 45 |
| Phoenix: | 48th and Broadway |
| Phoenix: | 3903 East Thomas Road |
| Scottsdale: | 3550 N. Goldwater Blvd. |
| Scottsdale: | 15656 N. Pima Road |
| Tempe: | 1275 W. Elliott Road |
| Tempe: | 3210 South McClintock Drive |

Intel Implements Ozone Alerts/High pollution Advisories throughout the Summer Ozone Season of 2004



As the Arizona Department of Environmental Quality declares ozone warnings throughout this summer, Intel Arizona employees implement their respective department's "Ozone Alert Day Plan" such as team carpooling, vanpooling, mass transit, telecommuting, ozone work at home, or any other method to reduce the number of vehicles on the road.

Since ozone levels are highest during mid-day, Intel Arizona strongly encourages employees to stay on-site for lunch in addition to alternative commute methods.

Employees are eligible for a drawing to receive a gift certificate by simply tracking their participation in a pollution-saving action during an Ozone Alert Day in a database.

Employees who do this will automatically be entered into a monthly drawing for one of several \$50 Amazon.com gift certificates. The program will run the length of the ozone season--April through September.

"We also ask that employees encourage family and friends to eliminate and/or reduce their driving on warning days to support this critically important program for our community's health and economy," says Jim Larsen, Intel Arizona environmental manager.

Everyone can help reduce Valley ozone levels while at home by not using gas powered lawn equipment, filling up your gas tank after dark, or waiting until nighttime to do your high-energy chores like laundry and washing dishes.

Trip Reduction Program

Intel employees completed the 14th annual trip reduction electronic survey and the Maricopa County Trip Reduction Task Force has approved the plan for year 15. 80% of the Ocotillo employees completed the survey which is used by the county to track alternate commute mode users. The results for the Single Occupancy Vehicle (SOV) Trip Rate was 70% and the Single Occupancy Vehicle Miles Traveled Rate was 67%. Options under the Rideshare program include compressed workweeks, telecommuting, driving alternate fuel vehicles all of which help to reduce the single occupancy vehicle rate. Each van pool gets a monthly subsidy, carpools and vanpools may use preferential parking, bus commutes and emergency ride home transportation are 100% subsidized. Additionally, Intel pays the City of Chandler \$9,000 per year to extend the bus line to the Chandler Campus. The Rideshare web site has also been improved to provide more visibility to employees and attract more participation.

Intel AZ believes that reducing the number of vehicles on the road is one way to make a positive difference in the air we breathe.

5th Annual “Make a Splash with Project WET” Festival

On September 24th, National Water Education Day, 4th graders from local schools gathered in Chandler Arrowhead Park. Chandler was chosen as the state site for hosting this year's water festival. The goal for the program was to get kids excited about water and learn enough about water issues to become lifelong stewards of water resources. Intel and many other event sponsors were on hand to support the various activities; City of Chandler, Arizona Department of Environmental Quality, Salt River Project Bureau of Reclamation, Central Arizona Project, Nestle Waters, Chandler Unified School District; Dial Corporation, Shamrock Foods Company, Ocotillo Rotary and East Valley Rotaract. These sponsors provided approximately 40 teachers and 110 volunteers to help run the event. Students were taught about conservation, waste use, and the water cycle. Projects ranged from interesting topics like how melted snow moves into the Valley, demonstrated how water moves through sand, rock, and clay, and how the aquifer system in Chandler helps the city during a drought, etc. (*Sources: Chandler Independent, Tribune & Chandler Connection*)

Intel No. 1 for helping workers with commutes (By Traci Watson, USA TODAY)

The federal government releases a list Wednesday lauding *Fortune* 500 companies that make a major effort to ease commutes for their employees, which helps ease traffic congestion and air pollution.

High-tech giant Intel is No. 1 on the list of 69 companies to be designated as Best Workplaces for Commuters by the Environmental Protection Agency, which compiled the list.

The EPA rated the companies by how many employees are offered incentives not to drive alone to work. Eligible incentives included the chance to work from home and financial subsidies for public transit. Companies also had to make sure employees had a ride home in an emergency.

Intel makes benefits available to nearly 90% of its 48,000-person U.S. workforce.

A place on the list gives companies bragging rights and a chance to use the program's logo for recruiting. Some companies use the slogan in help-wanted ads, and some have seen a decline in staff turnover.

Many of the companies on the list have long offered generous benefits to make commuting easier. Others, such as Wyeth, beefed up their commuting benefits when the EPA announced the program in the spring.

But workers who carpool or take a bus to work are rare. More than 75% of U.S. workers get to work by driving alone, compared with 64% in 1980. Average delays per driver in the 85 biggest U.S. cities have risen to 46 hours a year in 2002 from 16 hours in 1982, according to the Texas Transportation Institute.

The EPA calculates that the benefits offered by the companies on the list save 450 million miles of driving a year. The companies' programs also prevent the release of 186,000 tons of the main gas linked to global warming, which is equivalent to emissions from about 41,000 cars a year.

Transportation experts say the program will help change workers' attitudes about how to get to work. But the EPA has tried similar programs in the past without reversing the rising percentage of Americans who drive to work alone.

"People just go for the flexibility of the auto," says Michael Demetsky of the University of Virginia, who thinks the program's effect will be "marginal."

But the effectiveness of the EPA program doesn't matter to some workers who get the kind of benefits the EPA is encouraging.

John Myers, an engineer at Intel, calculates that he saves \$2,000 in gasoline a year and more than 14,000 miles on his pickup by carpooling several times a week to his office, which is more than 70 miles from his home. He also gets an extra 200 hours of sleep a year by napping when he's not the carpool driver.

Plus, he says, he's "a lot less cranky" when he gets home to his wife. "That," he says, "saves me countless dollars on flowers."

Source: USA Today

Corporate Services Wins Intel Quality Award

Corporate Services (CS) which manages construction and sustaining facilities as well as security, environmental health and safety, public affairs, and real estate won this years Intel Quality Award (IQA). CS also supports external stakeholders in the communities in which Intel does business: neighbors, media, government, regulatory agencies, and community groups.

Arizona Governor's Staff Ocotillo Site Visit

The governor's staff visited Ocotillo for an overview of Intel's water management program and a tour of the systems. The staff greatly appreciated the sharing of this knowledge and is interested in having Intel participate in the virtual water university that Governor Napolitano is promoting as a forum to share ideas to effectively manage and conserve Arizona's

Fab 12 Conversion Chemical Management Plan

Intel's Ocotillo Waste Program Owner provided key updates regarding the Fab 12 Conversion project to the Semiconductor Environmental Safety & Health Association and Arizona State University. The updates provided an overview of the Project XL environmental master plan and specific elements of the Fab 12 Conversion Chemical Management Plan. The goals under Project XL and the Chemical Management Plan were key in driving a successful factory conversion project.

Transferability Initiatives

The following is a list of groups visited Intel to learn about Intel's manufacturing and environmental programs. All groups were briefed on Intel's innovative environmental management practices under Project XL which have allowed Intel's Arizona site to achieve superior environmental performance results.

- Prescott College
- Devry University
- Livability Summit
- Santa Cruz Valley Union High School Gifted Students Program
- Maricopa Community College Students
- Santan K-8 PC Pals
- Stephanie Paternick (Economic Reporter for AZ Republic)
- CHIP Camp
- Dassault Corporation Representatives
- Construction Industry Institute
- Gila Bend High School Students
- Intel Office Ergonomics Research Group
- Investors Group (Andrew Winston)
- Mayer Arizona High School
- Cheng Du Delegation from China
- United State General Accounting Office (Denver Branch)
- International Media and Greater Phoenix Economic Council
- Congressman Jeff Flake's Office Staff
- ASU Chief Financial Officers
- Business Social Responsibility Group
- Mesa Skyline Technology Students
- French Students
- American Semi-conducting and Manufacturing League Workforce Development Institute (ASML WDI)
- Society of Women Engineers (Arizona Chapter)
- Investment Bankers Group
- Sun Lakes Aero Club
- ASU International Manufacturing Group
- ARCS – Philanthropic Organization that sponsors scholarships for students
- Intel Arizona Corporate Services Administrative Assistants
- Boy Scouts of America Local Troop
- ISNG Intel Group – Intel Students Summer Interns
- Local Area Company - Schaunaplast
- Local General Visitors Tour
- ASU Manufacturing Education Program
- Kelly Lang and Intel Representatives – Local Media Reporter
- Five Groups of Sun Lakes Residents

- Intel Finance Employees
 - Shea Home Development
 - Crown Ministries International Group
 - Sun Lakes War Veterans
 - Hamilton High School
 - Dr. Song Jun and Tsinghua Alumni
 - Sun Lakes Rotary Club
 - Society of Manufacturing Engineers Board
 - ASU College of Technology and Applied Science
 - US-China Sustainable Development Group
 - 6 Neighborhood Groups
 - Leaders for Manufacturing Conference
 - Intel CTO Financial Group
 - Sun Lakes New Adventures in Learning for Seniors (NAILS)
 - Intel Customers
 - Intel Computer Clubhouse Network Field Trip
 - Gila River Indian Community Middle School Students
 - Reuters News Service
-
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Energy Conservation

Zero Flow Loss Valves

Purchased zero flow loss valves for the compressed air systems. The zero flow loss drain valve reduces the amount of compressed air used to purge low points in the distribution system reducing the overall compressed air demand. The reduced demand is expected to be equivalent to 1.3M KW per year for all Arizona systems. The replacement of the existing valves started and is expected to be completed by Q3.

Intel Corporation Sets Energy Reduction Goal

Intel announces an ambitious new worldwide corporate goal to reduce normalized energy consumption for internal operations by 4% each year until 2010. If the corporation hits its target, normalized energy usage in 2010 will have decreased 28% from the baseline year of 2002.

Fab 22 Chilled Water Automatic Temperature Reset System

Fab 22's condenser water system has been equipped with an automatic temperature adjustment system that changes the temperature of the Fab 22 condenser water serving the chiller plant based on the actual outside air temperature. This automatic system allows the Fab 22 chilled water plant to take advantage of cooler nights during the winter season (commonly referred to as free cooling) increasing overall chiller efficiency. The reduced energy consumption is expected to be approximately 2.0 million kilowatt hours per year for Fab 22 alone. Once the pilot is proven successful, the project will be implemented at Fab 12.

Intel Arizona Energy Conservation Successes

During 2004, Intel's Arizona site was challenged to contribute to Intel's overall global Corporate Energy Conservation Goal with an Arizona site target of 4 million kilowatts per hour. Through the implementation of various energy conservation projects, Intel Arizona site exceeded that target by conserving a total of 13.75 million kilowatts per hour.

GLOSSARY OF TERMS

CARBON MONOXIDE (CO) - CO is defined in Section 302, Subsection W of the United States Clean Air Act, as carbon monoxide. This is a combustion emission produced when fossil fuel is burned (oxidized) incompletely.

FPA RENEWAL ANNUAL REPORT - This is a summary of progress against the Final Project Agreement for the previous calendar year and is published on April 1.

FINAL PROJECT AGREEMENT (FPA) RENEWAL - EPA's Project XL program requires that each proponent develop a final project agreement that defines specific scope and goals to be achieved. For Intel, the FPA sets forth a five-year Environmental Master Plan for Intel's Ocotillo campus, located in Chandler, Arizona.

FPA RENEWAL QUARTERLY PROGRESS REPORT - This is a progress report that is published by Intel on the following schedule which documents progress against the goals established within the FPA Renewal:

| REPORTING PERIOD | DATE PUBLISHED |
|-----------------------------|----------------|
| January, February, March | By May 31 |
| April, May, June | By August 31 |
| July, August, September | By November 30 |
| October, November, December | By February 28 |

HAZARDOUS AIR POLLUTANTS - Hazardous Air Pollutants (HAPs) refers to the 189 chemicals and chemical categories listed in section 112(b) of the United States Clean Air Act. Under the Act, a major source of HAPs is defined as one that emits 10 tons/yr. of any single chemical on the list, or 25 tons/yr. of any combination of these chemicals.

HAZARDOUS MATERIALS MANAGEMENT PLAN (HMMP) - An emergency plan required by the City of Chandler for all operations, which store hazardous materials above a certain quantity on-site.

HAZARDOUS WASTE RECYCLE - This category includes materials that are specifically designated as hazardous waste under EPA's Resource Conservation and Recovery Act regulations. The percent recycled is calculated by dividing the quantity of hazardous waste sent off for beneficial recycle and energy recovery by the total quantity of hazardous waste generated and shipped off-site.

NITROUS OXIDES - In accordance with the definition in section 302, subsection V of the United States Clean Air Act, NO_x refers to oxides of nitrogen. The oxides of nitrogen typically emitted from combustion processes are nitrogen monoxide (NO) and nitrogen dioxide (NO₂).

NON-HAZARDOUS CHEMICAL WASTE RECYCLE - This includes used chemical materials, which are collected for the purpose of returning them back into beneficial reuse. These materials are classified as non-hazardous, based upon EPA's definition set forth under the Resource Conservation and Recovery Act (RCRA). The percent recycled is calculated by dividing the material in this category sent for beneficial reuse, divided by the total quantity of chemical waste generated.

OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT - Intel has committed to voluntarily engage in other activities, which may connect back to programs implemented by Intel Arizona and/or Intel's corporate programs. The items that will be reported on include:

- Environmental mentoring/education
- Donation of equipment
- Environmental activities with suppliers
- Energy Conservation
- Transferability

PARTICULATE MATTER (PM10) EMISSIONS - Airborne particulate matter with an aerodynamic diameter less than or equal to 10 microns (PM10) as defined in 40 CFR 51.100(qq).

PLANT SITE EMISSIONS LIMITS (PSEL) - The air permit establishes PSELs for emissions (tons per year (tpy)) of volatile organic compounds (VOCs/49 tpy), oxides of nitrogen (NO_x/49 tpy), carbon monoxide (CO/49 tpy), particulate matter of 10 microns or smaller (PM10/10 tpy), sulfur dioxide (SO₂/5 tpy), combined organic hazardous air pollutants, (HAPs/10 tpy), combined inorganic HAPs (10 tpy), sulfuric acid (1 tpy) and phosphine-also an inorganic HAP(1 tpy).

REGULATORY AGENCIES - The following are the regulatory agencies associated with the Intel Ocotillo site Final Project Agreement:

- ADEQ - Arizona Department of Environmental Quality
- City of Chandler
- EPA - U.S. Environmental Protection Agency
- MCESD - Maricopa County Environmental Services Department

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) - Refer to the statutes and promulgated EPA regulations in 40 CFR 260 through 282 which address the generation, storage, treatment and disposal of hazardous waste.

REVERSE OSMOSIS (RO) - Reverse Osmosis is a high-pressure filtration process which separates dissolved salt and minerals from water, using a membrane. Clean water passes through the membrane, and the salt and minerals are rejected.

SOLID WASTE RECYCLE - This includes materials that are designated as non-hazardous waste, based upon EPA's definitions under the Resource Conservation and Recovery Act, which include such materials as, plastics, aluminum, glass, wood, pallets, metal, cardboard, etc. The percent recycled is calculated by dividing the quantity of materials within this category that are sent to beneficial recycle by the total volume of solid waste shipped off-site.

SULFUR DIOXIDE (SO₂) - This is an oxide of sulfur, which is emitted during the combustion of fossil fuels.

SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT (SARA) - TITLE III -
Refers to the statutes and promulgated EPA regulations, which address Emergency Planning and Community Right-to-Know.

TOTAL DISSOLVED SOLIDS - A measurement of the salt and mineral content in water.

VOLATILE ORGANIC COMPOUNDS - Volatile Organic Compounds (VOCs) are any compound of carbon which participate in atmospheric photochemical reactions, except those which are specifically excluded, as defined in 40 CFR 51.100(s).

WATER CONSERVATION - Efforts to Reduce, Reuse or Recycle water to avoid the use of the City of Chandler's drinking water supply.
