

Intel Ocotillo Environmental Excellence

Quarterly

PROGRESS REPORT

Issued May 31, 2009

(January 1 - March 31, 2009)

Introduction

This is the **2009 First Quarter Progress Report** for the **Intel Ocotillo Environmental Excellence Program**. The Stakeholder Team consists of representatives from *Intel, the U.S. Environmental Protection Agency, the Arizona Department of Environmental Quality, Maricopa County Air Quality Department, the City of Chandler, the Gila River Indian Community, and Community Members.*

Q1/'09 Performance Summary

Two items were noted in the Exceptions/Inspection section of this report. All indicators exceeded their goals and air emissions were below plant site emission limits. Additional details can be found in this report.

Contact / Report Information

If you have any questions about this report, please call: **Jim Larsen, (480) 715-0206, or e-mail: james.n.larsen@intel.com** or **Len Drago (480) 715-0132, or e-mail: leonard.c.drago@intel.com**. Additional information about Intel's Environmental Leadership results is listed on Intel's world wide web:

<http://www.intel.com/intel/other/ehs/projectxl/index.htm>

- First time readers may wish to refer to the Glossary of Terms and respective acronyms located at the end of the report.
- The data presented in this report shows Q1/'09's progress toward the goals. The recycling percentage goal attainment is calculated using amount of materials recycled for the year divided by the amount of material generated for the year multiplied by 100 percent. Plant Site Emissions Limits (PSELs) are calculated over a rolling 12-month period (i.e., any consecutive 12 months of emissions must be below the PSEL).

- Volatile Organic Compounds (VOCs), Organic Hazardous Air Pollutants (HAPs), and Inorganic Hazardous Air Pollutants (HAPs) emissions correlate with the level of equipment installation and production activities.
- Nitrogen Oxide (NO_x), Carbon Monoxide (CO), Sulfur Dioxide (SO₂), and Particulate (PM₁₀) emissions are from sources of combustion (boilers, emergency generators) and correlate to building size and climatic conditions.
- Intel's quarterly reports are designed to promote environmental awareness and provide real-time information to the public about Intel's progress toward meeting the environmental goals.
- Written comments for the data graphs may be found at the end of this report under **COMMITMENTS**.

QUARTERLY PROGRESS REPORT

Intel Corporation
Ocotillo Campus
Chandler, Arizona

REPORTING FACILITY

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

Reporting period: January 1 - March 31, 2009
Report prepared by: Jim Larsen/ Len Drago
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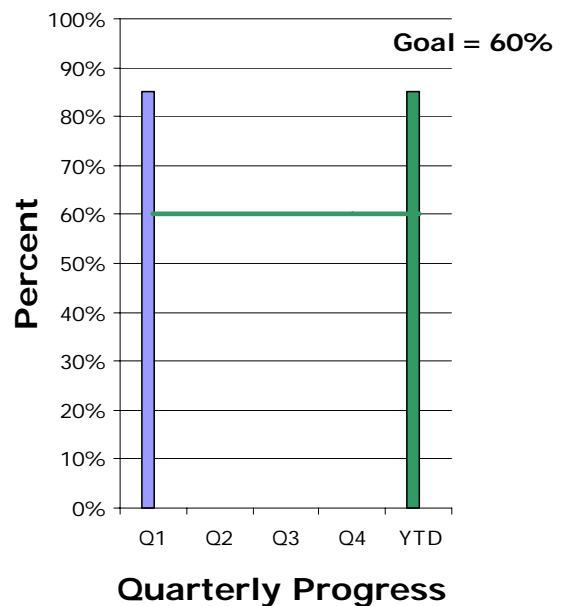
SOLID WASTE RECYCLED

Reporting period: January 1 - March 31, 2009

Percent recycled for quarter: 85%

Percent recycled year-to-date (YTD) 85%

**1,147 TOTAL TONS
SOLID WASTE
RECYCLED IN Q1 2009**



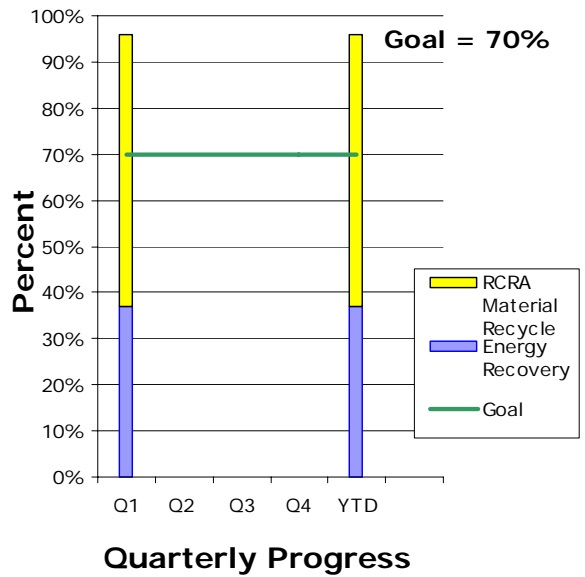
TOTAL CHEMICAL WASTE RECYCLED

Reporting period: January 1 - March 31, 2009

Percent recycled for quarter: 96%

Percent recycled year-to-date (YTD): 96%

**988 TOTAL TONS
TOTAL CHEMICAL WASTE
RECYCLED IN Q1 2009**



SITE WIDE WATER CONSERVATION

Reporting period: January 1 - March 31, 2009

Percent water conserved for quarter: 73%

Percent conserved year-to-date (YTD) 73%

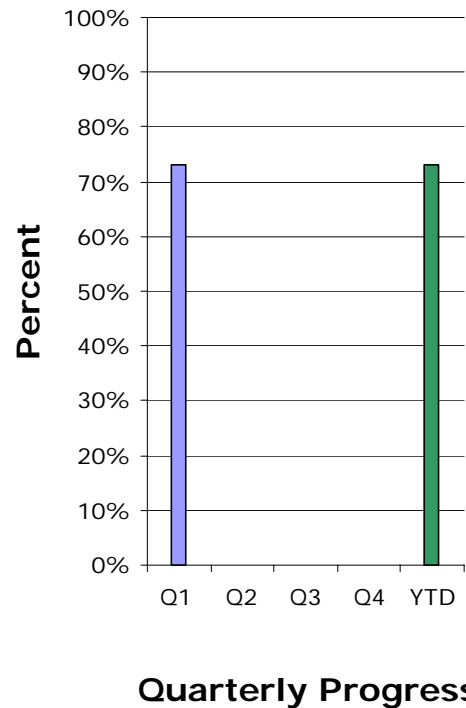
Water Flow Details:

- Water Recycled Internally 1.43 MGD
- Reclaimed Wastewater Used 1.40 MGD
- Water Sent to Chandler RO for Groundwater Recharge 1.58 MGD
- Incoming City Water 3.17 MGD

MGD = Million Gallons Per Day (averaged over the quarter)

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

$$\frac{1.43 + 1.40 + 1.58}{1.43 + 1.40 + 3.17} = 0.73 \times 100\% = 73\%$$



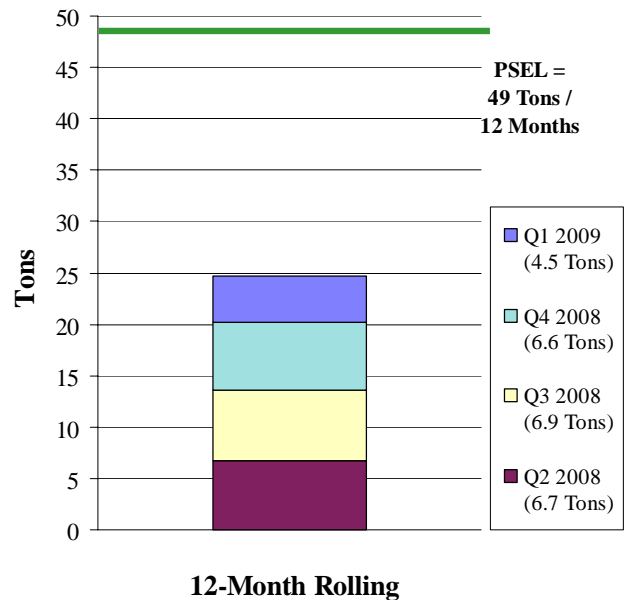
VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

Reporting period: January 1 - March 31, 2009

VOCs in tons for quarter: 4.5

VOCs in tons (12-month rolling summation): 24.7

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



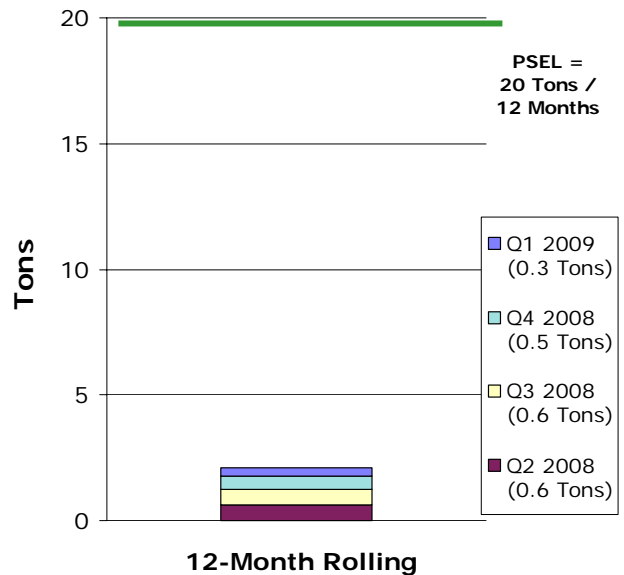
TOTAL HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

Reporting period: January 1 - March 31, 2009

Total HAPs in tons for quarter: 0.3

Total HAPs in tons (12-month rolling summation): 2.1

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



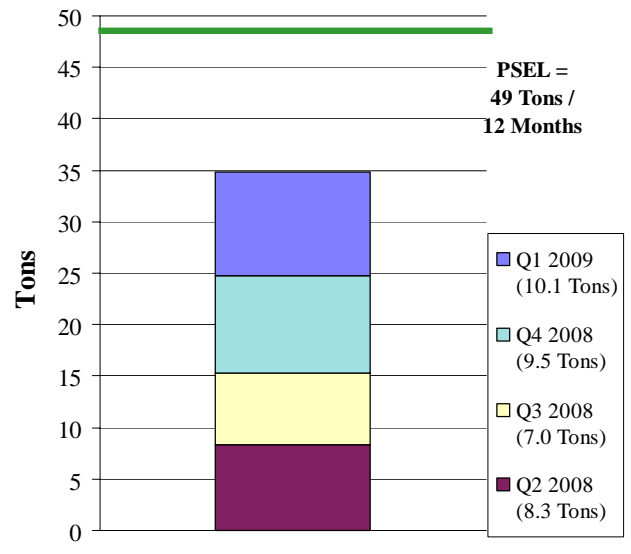
NITROGEN OXIDE (NO_x) EMISSIONS

Reporting period: January 1 - March 31, 2009

NO_x emissions in tons for quarter: 10.1

NO_x emissions in tons (12-month rolling summation): 34.9

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



12-Month Rolling

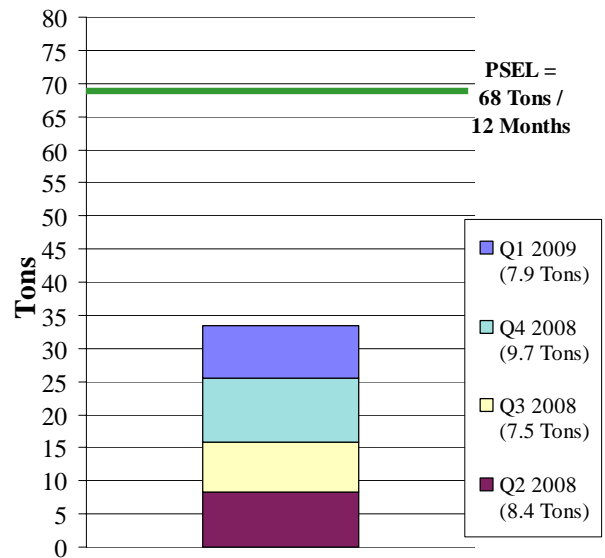
CARBON MONOXIDE (CO) EMISSIONS

Reporting period: January 1 - March 31, 2009

CO emissions in tons for quarter: 7.9

CO emissions in tons (12-month rolling summation): 33.4

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



12-Month Rolling

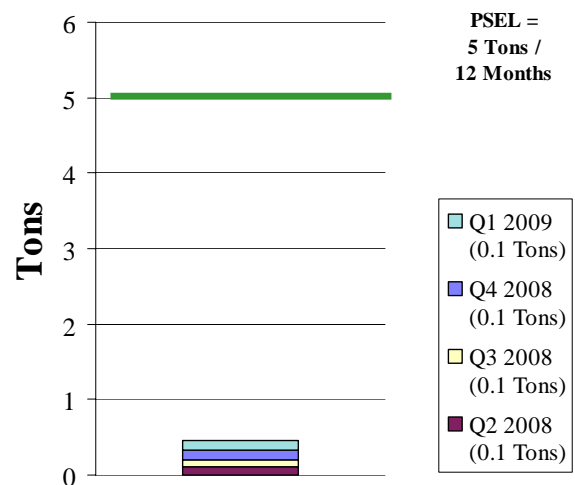
SULFUR DIOXIDE (SO₂) EMISSIONS

Reporting period: January 1 - March 31, 2009

SO₂ Emissions in tons for quarter: 0.1

SO₂ Emissions in tons (12-month rolling summation): 0.5

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



12-Month Rolling

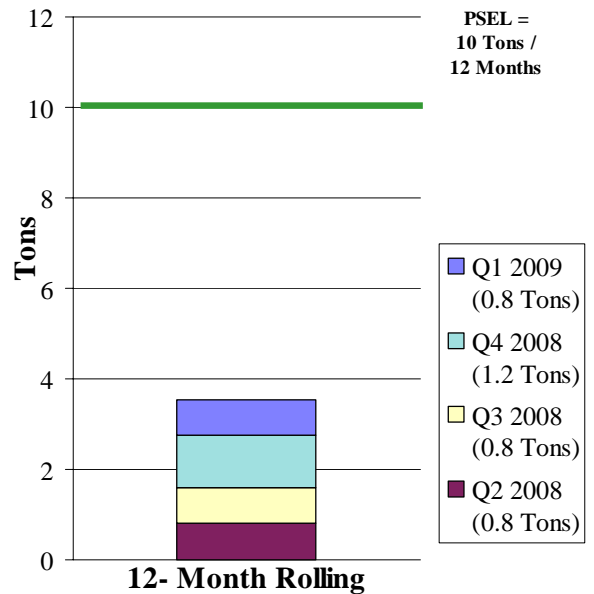
PARTICULATES (PM10) EMISSIONS

Reporting period: January 1 - March 31, 2009

PM10 Emissions in tons for quarter: 0.8

PM10 Emissions in tons (12-month rolling summation): 3.5

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



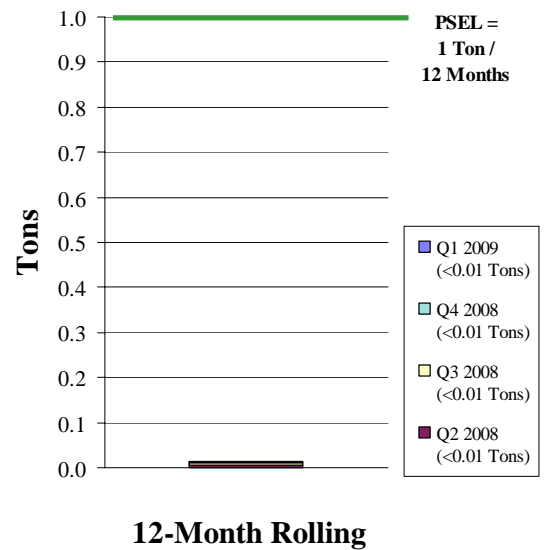
PHOSPHINE EMISSIONS

Reporting period: January 1 - March 31, 2009

Phosphine Emissions in tons for quarter: <0.01

Phosphine Emissions in tons (12-month rolling summation): 0.01

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



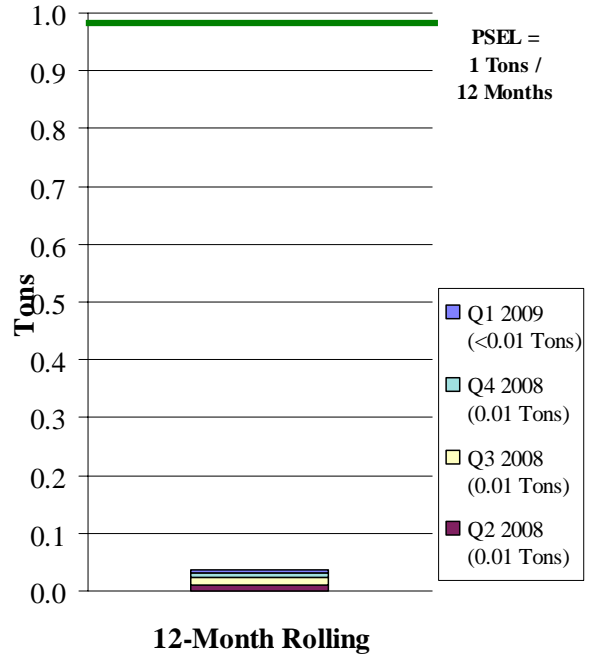
SULFURIC ACID EMISSIONS

Reporting period: January 1 - March 31, 2009

Sulfuric Acid Emissions in tons for quarter: <0.01

Sulfuric Acid Emissions in tons (12-month rolling summation): 0.04

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



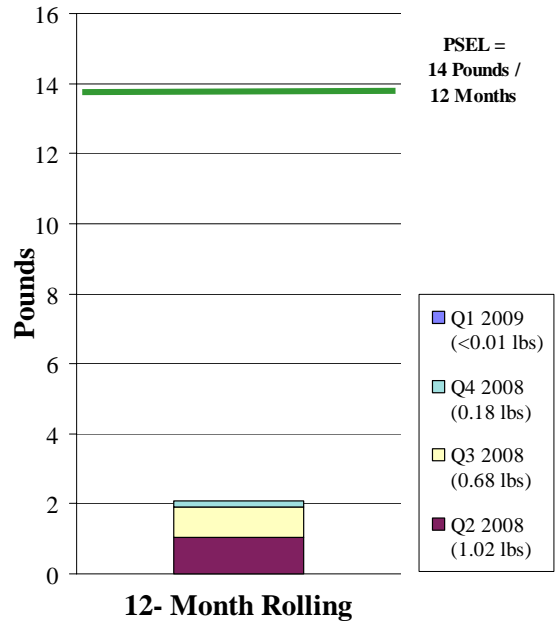
ARSINE EMISSIONS

Reporting period: January 1 - March 31, 2009

Arsine Emissions in pounds (lbs) for quarter: <0.01

Arsine Emissions in pounds (12-month rolling summation): 2.09

Note: The sum of the quarterly data may not add to 100 percent of the annual total due to rounding.



EXCEPTION / INSPECTION REPORTING

1. Agency inspection this quarter.

Yes [X] No []

If yes, date and agency performing the inspection:

Agency: City of Chandler

Date: Q1

Type of inspection: Quarterly wastewater sampling event. City analytical data indicated that Intel discharges were within permit limits.

2. Has a shutdown or change in type of a pollution control device occurred this quarter?

Yes [x] No []

If yes, provide the following information:

Date: 3/26/09

Nature of shutdown: Volatile Organic Compounds (VOC's) – Fab 12 Rotary Concentrator Thermal Oxidizer (RCTO) dropped below 1,250 degrees fahrenheit for approximately 35 minutes resulting in approximately 3 pounds of VOC's that was emitted. Root cause was determined to be a faulty regulator which was replaced and returned to operation. Maricopa County Air Quality Department was notified. Maximum estimated emissions: 3 pounds

OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT

Sun Lakes Household Hazardous Waste Collection Day Event

On January 24, 2009 Sun Lakes, Maricopa County and Intel partnered with Sun Lakes to sponsor the 7th Sun Lakes Household Hazardous Waste Collection Day. Supervisor Fulton Brock (Maricopa County) participated in this year's event. Approximately 906 vehicles turned in waste material totaling 35,782 pounds along with an electronic waste collected.



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.

ANNUAL REPORT - This is a summary of progress for the previous calendar year and is published on April 1.

QUARTERLY PROGRESS REPORT - This is a progress report that is published by Intel on the following schedule which documents progress against its goals:

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 (included as part of the annual report)	By April 1

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.

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).

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

LEED – Stands for The Leadership in Energy and Environmental Design. LEED's Green Building Rating System encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

(source: <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=222>. See LEED Rating System for Existing Buildings)

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 (NOx/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 who participate in the Intel Ocotillo Environmental Excellence Stakeholder meetings:

ADEQ - Arizona Department of Environmental Quality
City of Chandler

EPA - U.S. Environmental Protection Agency

MCAQD - Maricopa County Air Quality 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 CHEMICAL WASTE RECYCLE - This category includes used chemical materials, which are collected for the purpose of returning them back into beneficial reuse via recycling, re-use, reclaim or fuel blending. 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.

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.