

Intel Ocotillo Environmental Excellence

Quarterly

PROGRESS REPORT

Issued November 30, 2008

(July 1 - September 30, 2008)

Introduction

This is the **2008 Third 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.*

Q3/'08 Performance Summary

Four 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 Q3/'08'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: July 1 - September 30, 2008
Report prepared by: Jim Larsen/ Len Drago
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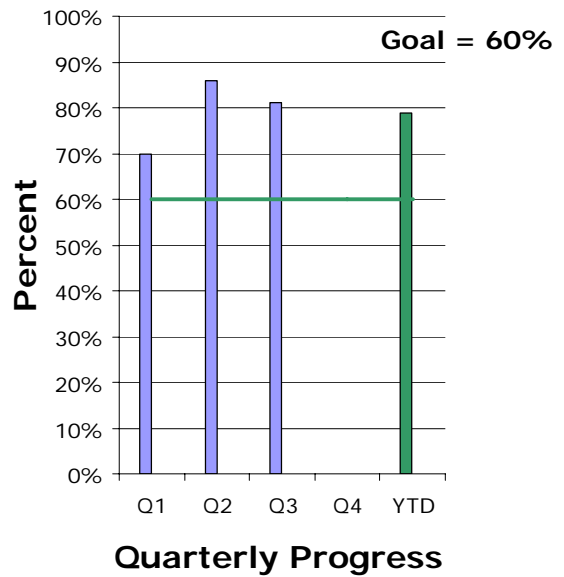
SOLID WASTE RECYCLED

Reporting period: July 1 - September 30, 2008

Percent recycled for quarter: 81%

Percent recycled year-to-date (YTD) 79%

**1,203 TOTAL TONS
SOLID WASTE
RECYCLED IN Q3 2008**



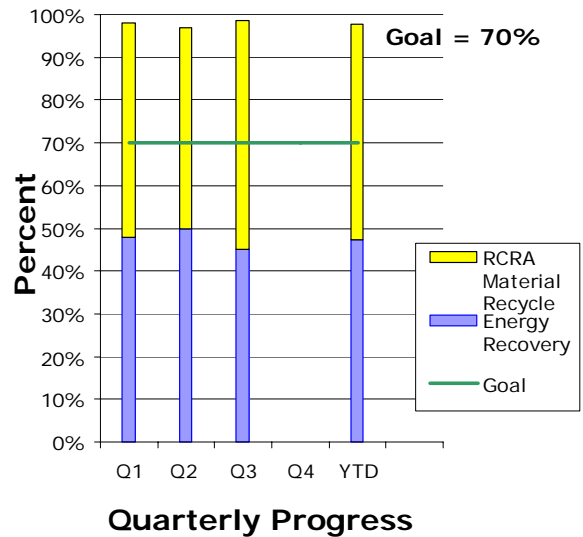
TOTAL CHEMICAL WASTE RECYCLED

Reporting period: July 1 - September 30, 2008

Percent recycled for quarter: 99%

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

**1,843 TOTAL TONS
TOTAL CHEMICAL WASTE
RECYCLED IN Q3 2008**



SITE WIDE WATER CONSERVATION

Reporting period: July 1 - September 30, 2008

Percent water conserved for quarter: 68%

Percent conserved year-to-date (YTD) 67%

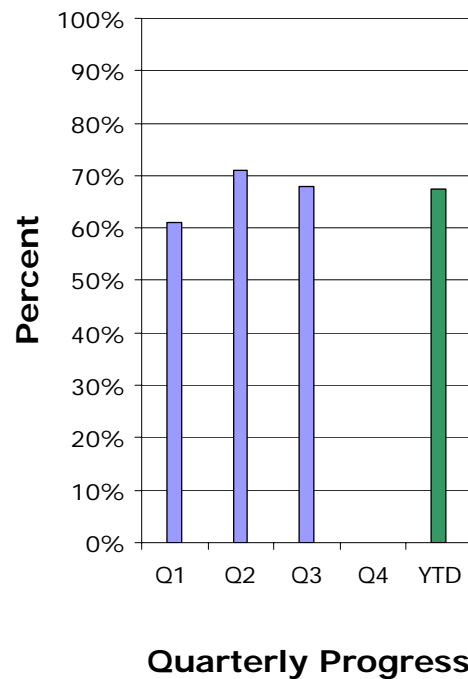
Water Flow Details:

- Water Recycled Internally 1.18 MGD
- Reclaimed Wastewater Used 3.35 MGD
- Water Sent to Chandler RO for Groundwater Recharge 1.43 MGD
- Incoming City Water 4.21 MGD

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

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

$$\frac{1.18 + 3.35 + 1.43}{1.18 + 3.35 + 4.21} = 0.68 \times 100\% = 68\%$$



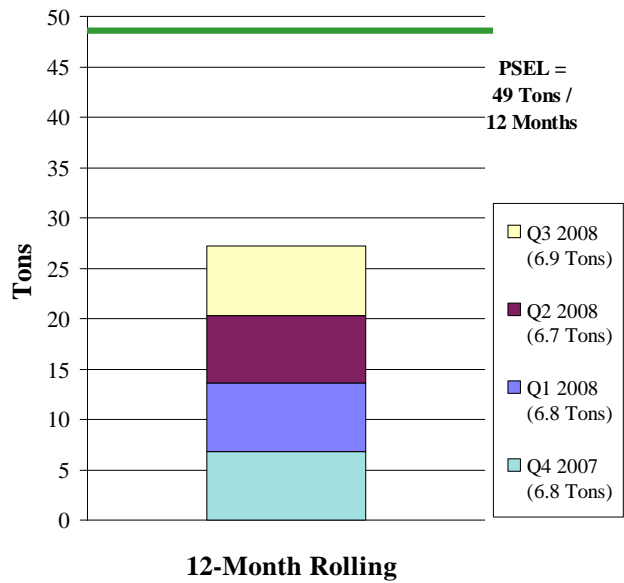
VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

Reporting period: July 1 - September 30, 2008

VOCs in tons for quarter: 6.9

VOCs in tons (12-month rolling summation): 27.2

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



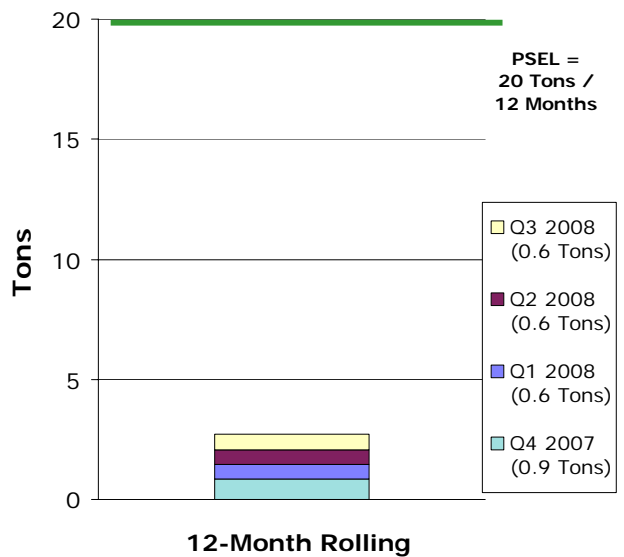
TOTAL HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

Reporting period: July 1 - September 30, 2008

Total HAPs in tons for quarter: 0.6

Total HAPs in tons (12-month rolling summation): 2.7

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



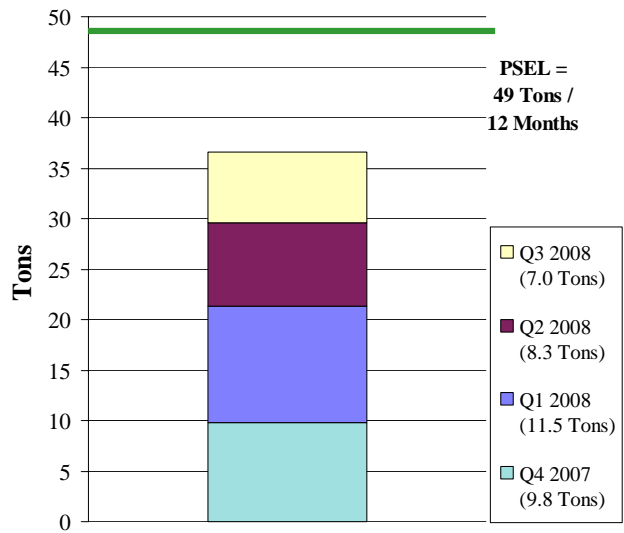
NITROGEN OXIDE (NOx) EMISSIONS

Reporting period: July 1 - September 30, 2008

NOx emissions in tons for quarter: 7.0

NOx emissions in tons (12-month rolling summation): 36.6

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



12-Month Rolling

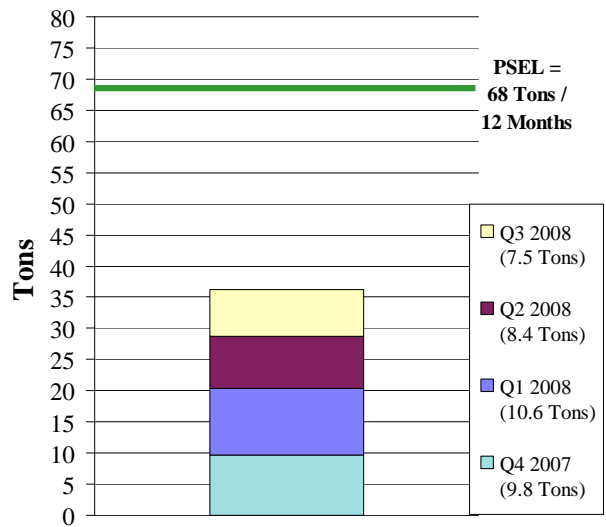
CARBON MONOXIDE (CO) EMISSIONS

Reporting period: July 1 - September 30, 2008

CO emissions in tons for quarter: 7.5

CO emissions in tons (12-month rolling summation): 36.2

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



12-Month Rolling

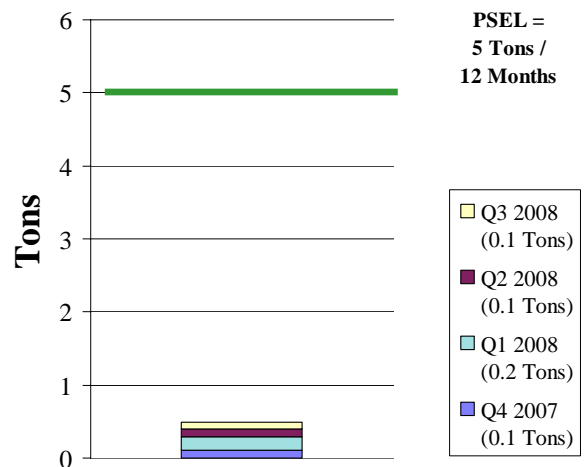
SULFUR DIOXIDE (SO₂) EMISSIONS

Reporting period: July 1 - September 30, 2008

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

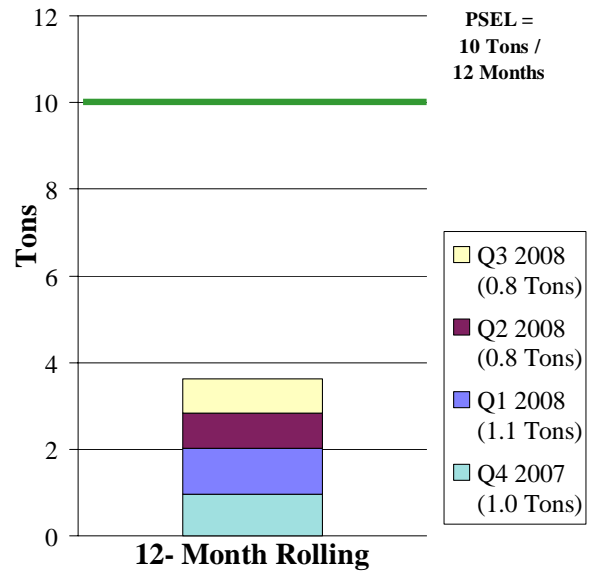
PARTICULATES (PM10) EMISSIONS

Reporting period: July 1 - September 30, 2008

PM10 Emissions in tons for quarter: 0.8

PM10 Emissions in tons (12-month rolling summation): 3.6

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



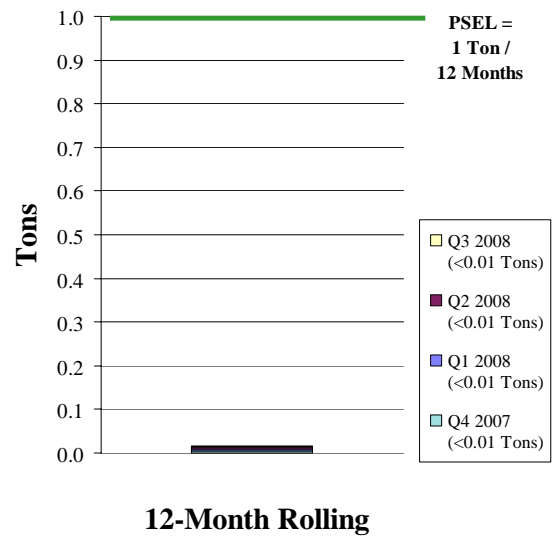
PHOSPHINE EMISSIONS

Reporting period: July 1 - September 30, 2008

Phosphine Emissions in tons for quarter: <0.01

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

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



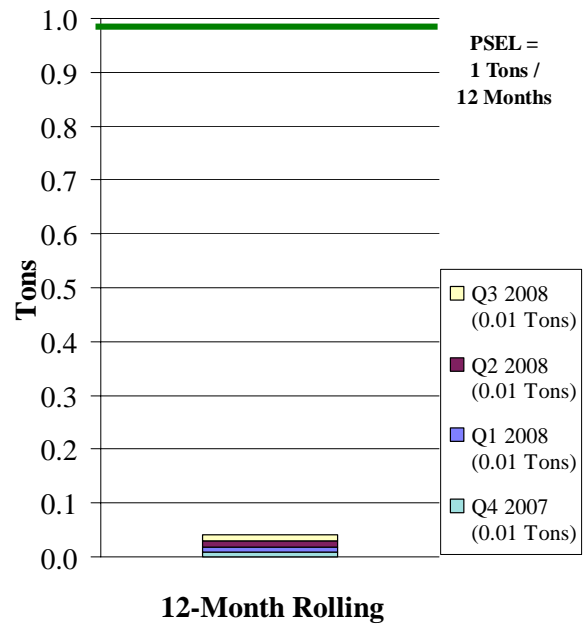
SULFURIC ACID EMISSIONS

Reporting period: July 1 - September 30, 2008

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.



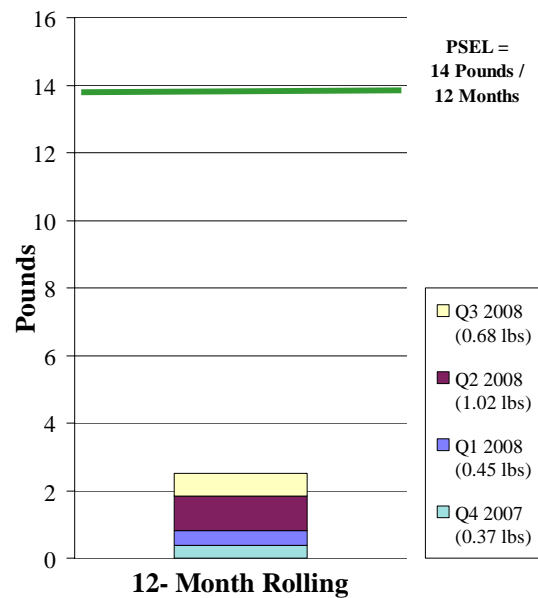
ARSINE EMISSIONS

Reporting period: July 1 - September 30, 2008

Arsine Emissions in pounds (lbs) for quarter: 0.68

Arsine Emissions in pounds (12-month rolling summation): 2.52

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 [] No []

If yes, date and agency performing the inspection:

Agency: City of Chandler

Date: July 17, 2008

Type of inspection: Quarterly wastewater split-sampling event. Analytical data indicated that Intel discharges were within permit limits.

2. Agency inspection this quarter.

Yes [] No []

If yes, date and agency performing the inspection:

Agency: City of Chandler Fire Department

Date: September 18, 2008

Type of inspection: A successful Hazardous Materials inspection was performed by Chandler Fire Department and New Hazardous Materials permits were issued on 9-18-08.

3. Wastewater discharge exceedance this quarter.

Yes [] No []

If yes, date and agency reported to:

Date: August 6, 2008

Agency: City of Chandler

Constituent exceeded: During rinsing of the Fab 22/32 sulfuric acid tank, a low pH condition was observed at the Fab 22/32's Acid Waste Neutralization (AWN) sampling location (IWD-6) where the pH dropped below the permit limit of 5.0 for a total of 3 minutes. The incident was immediately reported to the City of Chandler and this event did not result in an adverse impact to the City of Chandler Ocotillo Reclamation Facility. The operations specification has been updated to include AWN diversion for any activities on acid or caustic systems.

4. Has the Hazardous Materials Management Plan (HMMP) been revised or updated during this reporting period?

Yes [] No []

If yes, date of change and scope of change:

Date: Q3, 2008

Scope: Fab 12, Fab 22, and Fab32 HMMPs were updated in Q3. Updates included:

- Updated new/ modified quantities of hazardous materials
 - Updated contacts
-

OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT

Intel Donates Copper Metal – Intel made donations of copper metal to the Arizona State University Art Department in Q3. The donated copper is recovered from Intel's operations and the art students transform the copper into attractive art forms.



Rio Salado Park Clean-up Event - On Wednesday, September 24, 2008, 24 Intel volunteers participated in IT Community Service Day at Rio Salado Park in Phoenix. These volunteers braved the heat from 8:30am to 11:00am to help clean up the Rio Salado Habitat after recent rains deposited a multitude of trash and debris throughout the park via 31 storm drains. Volunteers filled total of 32 large trash bags to help clear the wash at Rio Salado! Volunteers also learned the importance of reusable bags and water bottles after picking up many plastic bags and bottles during their trash sweep. Liz Smith, Ranger at Rio Salado, had this to say of the volunteers who helped out at the park: "Thank you all for your contribution to helping us make this an inviting place for the public to visit. We loved having your group come and assist us - you all to a tee - came prepared and willing to work and made a big difference."



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.