

## Conclusion

*[Editor's note: this is a summary of the decision; full text is currently being translated from Icelandic.]*

According to the developers documentation, the changes on the construction of an aluminum plant in Reydarfjordur, Fjardabyggd consist in e.g. that Alcoa plans to build and operate a 322,000 tpy plant compared with the up to 420,000 tpy Reydaral plant or 100,000 tpy smaller than previous plans included.

An anode production plant will not be built in Reydarfjordur, which reduces significantly emission of PAH, substances. SPL will not be disposed of on land at the site, but exported for recycling. SPL will be stored up to 6 months and a special management plan will apply for SPL accumulation and storage. Wet scrubbing is not proposed but instead dry scrubbing will be applied. Thus the concentration of pollutants in liquid discharge will be considerably reduced, since there is no SPL disposal or wet scrubbing.

With lower amount of S in the anodes (1,5%) and a 78 m high stack on the dry scrubbing equipment, it has been substantiated that the concentration of SO<sub>2</sub> all around the plant will be within the limits of environmental criteria.

The main plant components are potrooms, dry scrubber facilities, cast house, rodding shop, main substation, light fuel oil tanks, auxiliary services, warehouses and storage buildings.

According to the developers documentation, the expected number of employees required for the Alcoa-Reydaral plant with indirect and induced jobs will be less than the previous plans or the same as proposed for the 1<sup>st</sup> phase of the Reydaral plant. The socio impacts on East Iceland will therefore be less with changed plans than previously expected.

The aluminum plant in Reydarfjordur will be located in the near vicinity of the town of Reydarfjordur and also a natural reserve area is at the boundaries of the dilution zone. PA considers that these circumstances call for a close monitoring of pollution from the plant.

The PA considers that at least one other realistic option is available and can be considered for mitigation measures due to SO<sub>2</sub> emission, i.e. wet scrubbing, in the case that monitoring reveals unacceptable environmental impacts. Further decisions on monitoring of environmental impact is in the hands of the issuing agency for operation license, the EFA.

In accordance with Art. 6 of the act on environmental impact assessment, No. 106/2000, the Planning Agency has reviewed the documentation submitted by the developer, received commentaries, replies by the developer to the commentaries and further information supplied by the developer.

On the basis of this documentation it is the conclusion of the Planning Agency that changes in the plans for constructing an aluminum plant in Reydarfjordur, Fjardabyggd, are not likely to result in significant impact on the environment and therefore should not be subject to environmental impact assessment.

The PA ruling, dated August 31, 2001 on environmental impact assessment of up to 420,000 tpy aluminum plant at Hraun in Reydarfjordur, Fjardabyggd, continues to be valid taking into account the changes on construction plans.

The construction requires a construction permit according to the law on planning and building and an operation license permit from the Environmental and Food Agency. Changes need to be done on the current detail plan for the industrial- and harbor area, Hraun 1, approved 12 July 2001, before permits are issued.

According to paragraph 4, Art. 6 of the act on environmental impact assessment, No.106/2000, the decision by the Planning Agency can be appealed to the Minister for the Environment. The deadline for appeal is 20 January 2003.

Reykjavík, 20 December 2002.

Stefán Thors

Hólmfríður Sigurðardóttir

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Ministry for the Environment, Fjardabyggd Municipal, Institute of Regional Development, Archeological Protection Agency, Marine Research Institute, Public Health Administration of East Iceland, Environmental and Food Agency, Soil Conservation Service, Nature Conservation Agency, Icelandic Maritime Administration, Iceland Forestry Service, Icelandic Meteorological Office, Road Administration, Institute of Freshwater Fisheries, Wildlife Management Institute and Agency for Safety and Health at Work.