

(9) Use of Pressurized Ozone and Compressed Air Flotation with Membrane Filtration for Industrial Process Water Treatment at a Forest Products Facility

In 18 months this project will demonstrate a membrane filtration system at a molded fiber paper mill. The process will reduce the amount of fresh water needed for mill operations. This project expands upon a complementary project, which focuses only on the ozone system in the plant stream. Integrating the ozone process with efficient membrane filtration will provide an overall efficiency not available with separate independent systems.

Total project cost: \$848,132

Funding request: \$380,750

Project Lead: New York State Energy Research and Development Authority

Project Participants: Michigan Department of Consumer and Industrial Services – State Energy Office; Pactiv Corporation

Progress in Past Quarter and Current Status

During this quarter (Q09) progress which has occurred includes the following:

- * Pactiv has procured and received delivery of all major pieces of equipment.
- * Pactiv has placed all major pieces of equipment on their appropriate foundations.
- * Pactiv has commenced installation of piping and electrical hook-ups to all major pieces of equipment.
- * Pactiv has continued benchmark sampling of process water (to establish the “before” conditions).

Plans for Next Quarter

The project team will start-up and commission the equipment (equipment start-up is tentatively scheduled for December 1, 2006). Pactiv will continue benchmark sampling of process water (to establish the “before” conditions), as well as initiate operation of the equipment in various modes and at various parameter levels and conduct associated sampling of process water (to determine the “after” conditions and use these analytical results to identify optimum operating conditions for the equipment).

The project period is scheduled for completion December 31, 2006. It is anticipated that all project work will be completed by 12/31/2006, and the project budget fully expensed by 12/31/2006.

Within 60 days following 12/31/2006 a DRAFT project technical report will be issued to STAC for review and comment. This DRAFT report is expected to have a minimal amount of “after” data which will be available for inclusion at that time. During the next several months following submittal of the DRAFT report (while STAC performs its review and formulates comments) additional “after” data will continue to be compiled. Eventually, a FINAL report, carefully considering therein STAC’s comments, and containing a plethora of “after” data, will be issued.

Within 90 days following 12/31/2006 all appropriate transfer of funds will be completed.