
Long-term Service to Direct Service Industries

Bonneville Power Administration

June 8, 2009



A Partner in the Northwest

- **Intalco jobs are high paying and hard to replace**
 - Total value of employees wages, benefits, leave etc:
2007 = \$53.5 million 2008 = \$60 million
 - For every Alcoa Intalco Works job, we create an additional 2.9 jobs in the state's economy *
 - Our jobs are “family wage” jobs that well exceed the state's average:
 - 2007 Alcoa Intalco Works average annual wage = \$78,440 (including benefits)
 - 1.5 times the Washington State average*.

- **Intalco's presence has a large impact on the economy and should not be lost**
 - Gross Domestic Product \$189.3 million (2007)*

- **Intalco's community contributions and volunteerism are second to none.**
 - Our 2007, 2008 and 2009 contributions through sponsorships, donations and partnership funding will amount to over **\$500,000** in addition to in-kind and volunteer contributions from our employees.

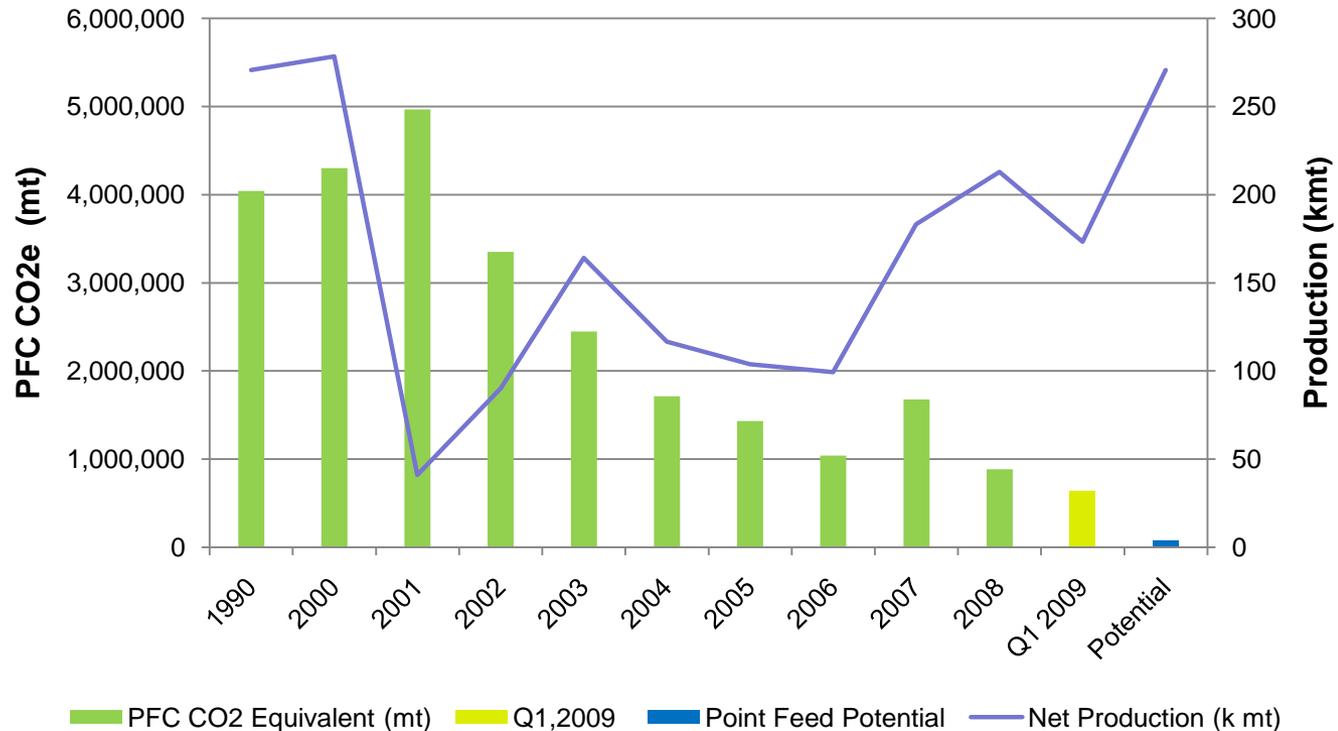
*Source: Richard S Conway, Jr 2008,



A Partner in the NW: Exceptional environmental stewardship is in our DNA

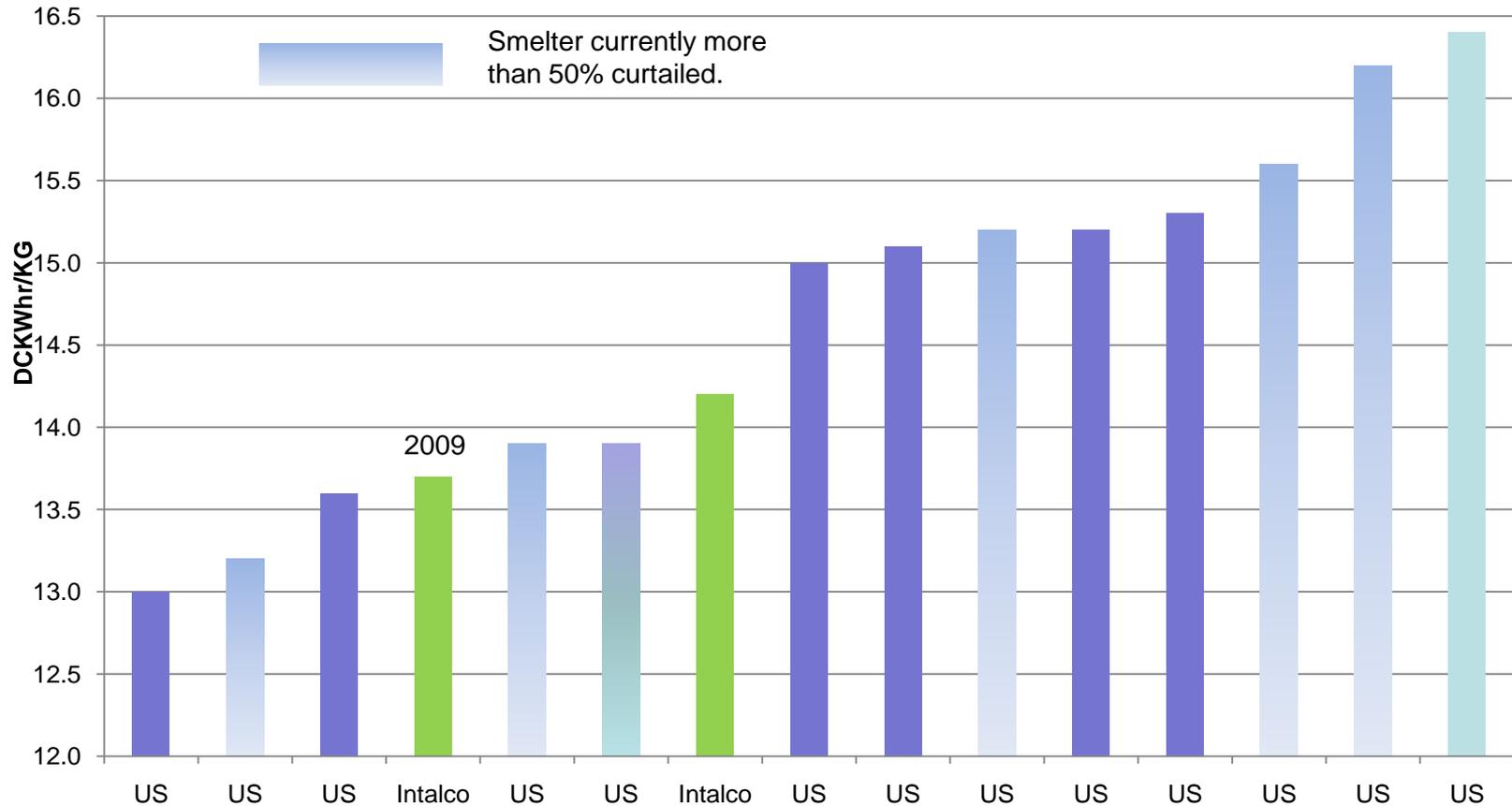
- ✓ Intalco has reduced its GHG emissions to well below 1990 levels.
- ✓ Founding member of USCAP
- ✓ Support for Lieberman-Warner Bill
- ✓ Governor's Climate Action Team
- ✓ Participation in the Western Climate Initiative
- ✓ Empowering employees to Make an Impact

PFC rates normalized to 1990 production levels



A Partner in the NW: Intalco is one of the most energy efficiency plants in the US System

2008 US Smelter Energy Efficiency

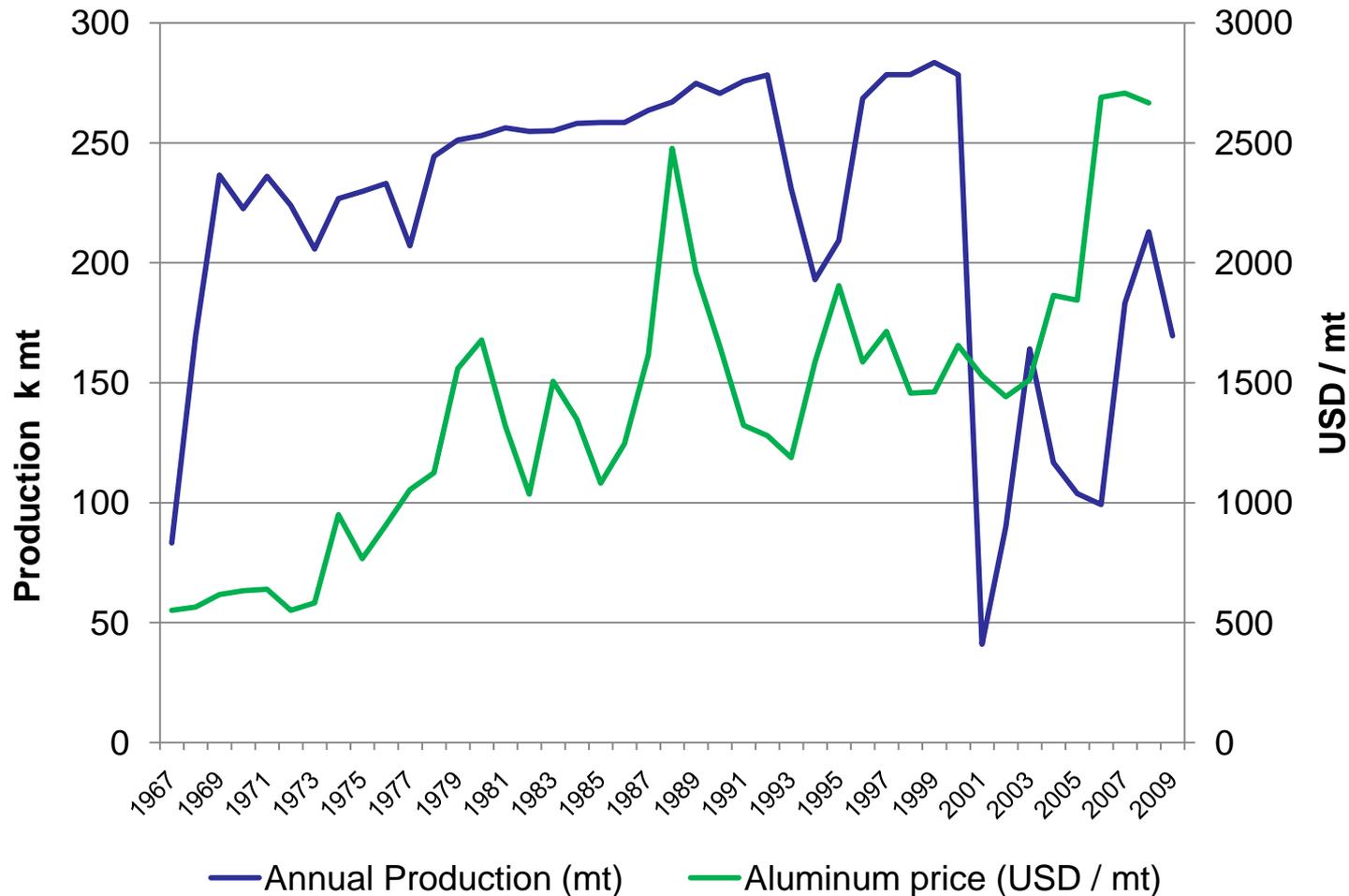


CRU data and Alcoa



With adequate cost-based power, Intalco should operate at full capacity

Intalco Annual Production (kmt)

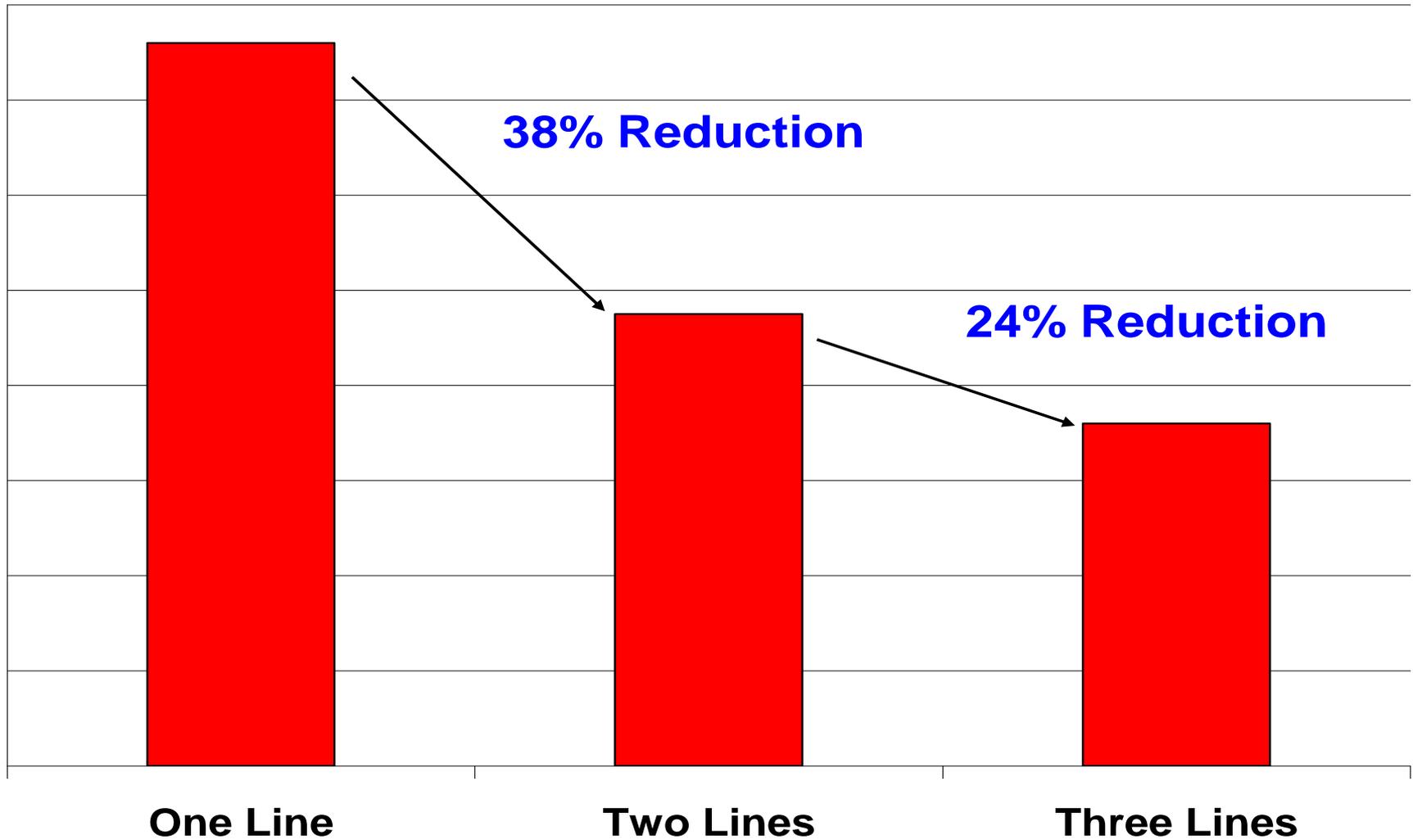


Aside from extraordinary situations, before 2001, Intalco operated at full capacity regardless of the aluminum price.

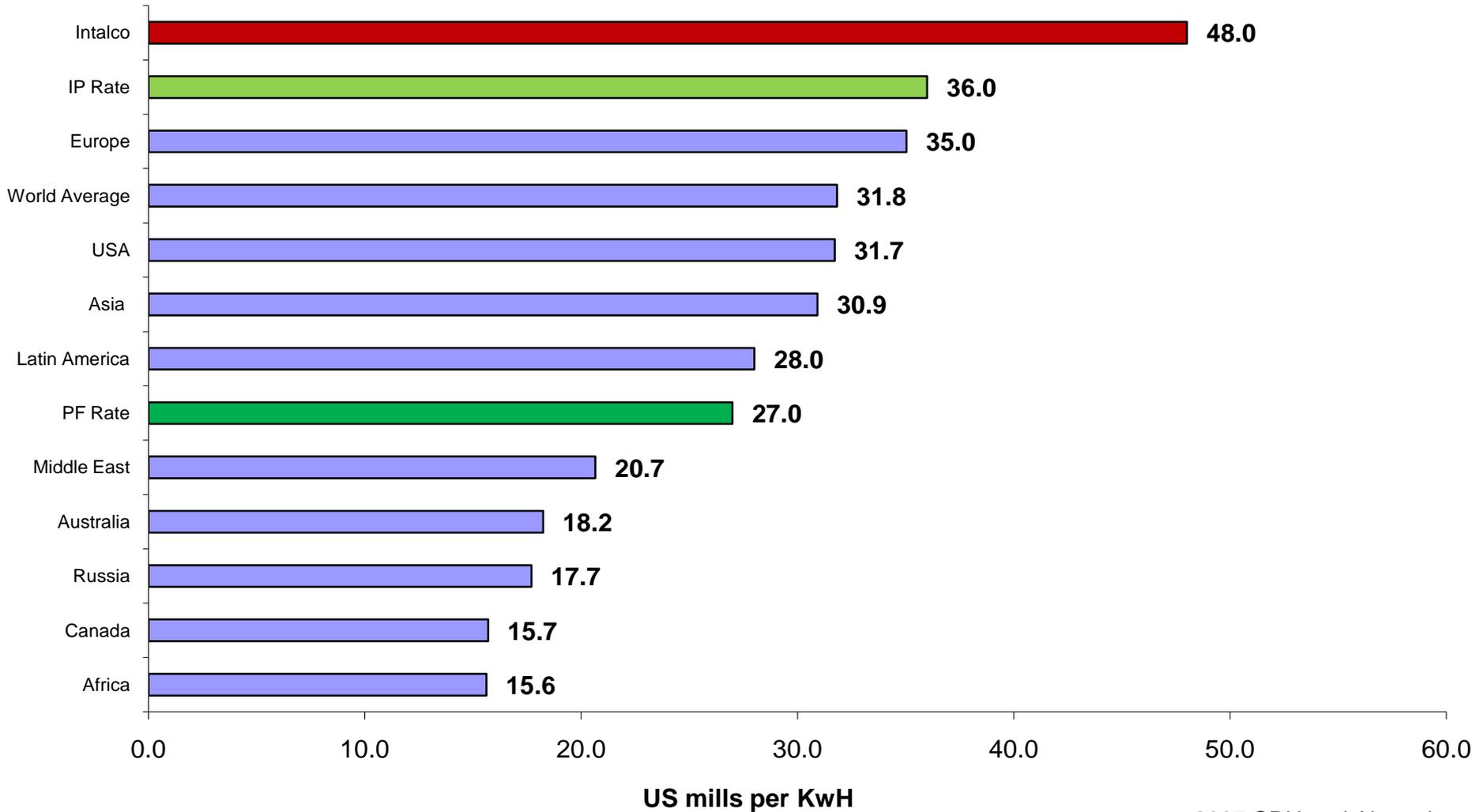
Since 2001, Intalco has been limited by BPA power supply.



Intalco Operating Costs



Worldwide Average Smelter Power Costs



2007 CRU and Alcoa data



The length of the contract is important to us

- A mid to long-term contract is desirable because:
 - It provides greater security for our employees and the local community
 - It enables us to survive the down-cycles
 - It enables us to plan for the future
 - It provides greater alignment with BPA's other customers



Summary

- Intalco is a true partner in the region - the value of our operation extends well beyond direct employment benefits.
- Intalco is one of the most energy efficient smelters in the US.
- Power aside, Intalco is one of the most cost efficient smelters in North America.
- Intalco has a history of running at full (3-lines) capacity.
- **We need cost-based power to operate at 2 - 3 lines of production to survive and plan for the future.**

