



Suncor Update

Commerce City – City Manager’s Report
July 6, 2020 (submitted 6/29/2020)

Market / operational update

As we continue in Colorado’s “Safer at Home” stage, much of the state is open with restrictions. Subsequently, local demand for fuel products continues to increase. Crude oil pricing is also on the rise, and we are seeing some recovery of the supply market. Due to a number of factors, including these improved market conditions, we plan to re-start Plant 2 in early August.

The refinery leadership team already has begun planning for this event, and we continue to keep the Colorado Department of Public Health and Environment informed of our plans. Our focus is on starting up Plant 2 in a safe manner while minimizing any impacts on the neighboring community and the environment. Suncor will notify stakeholders and the community in advance of start-up and once Plant 2 is up and running.

COVID-19 update

The health and safety of our workforce, their families and our communities remains top of mind at Suncor. We understand the virus is still present in Colorado and could re-surge at any time. We continue to emphasize to our people the importance of our protocols and guidelines, including good hygiene practices and physical distancing, required use of face coverings, frequent health self-assessments and temperature screening before coming on site. We re-introduced about 10% of our workforce back to the Commerce City refinery in late May. The return of the remaining workforce (currently supporting us from home) is likely months away. In the meantime, the Commerce City Refinery will continue to follow COVID-19 related guidance from Suncor as well as orders from various levels of government, and use those as we update our policies and protocols.

Plants 1 and 3 turnaround

In April 2021, Suncor will begin a higher level of planned maintenance in Plant 1 and Plant 3 of the Commerce City refinery. This increased level of work – known in our industry as a “turnaround” – occurs routinely every five years and is part of maintaining asset integrity. It is scheduled to last several weeks.

We will focus on completing the maintenance work in a safe manner while minimizing any impacts on the community, our customers and the environment. Although increased traffic, noise and flaring are all expected and common effects of this maintenance, we will take precautions to help ensure these disruptions are kept to a minimum.



Suncor plans to invest approximately \$87 million in this work over three years, which will spur additional economic activity in the area through the presence of the increased workforce and the materials and equipment purchased to support the work. We strive to source these items locally, where possible.

We'll have upwards of 700 additional people on site per shift at peak times during this event, which includes both standard maintenance and capital upgrades to improve the operability and reliability of our assets. Safety is our top priority, and we conduct extensive reviews of the work to ensure all activities are safe at all times. All employees engaged in this work receive specific safety training as required so everyone is clear about the priority we place on safety before the job even starts. The health and safety of our workforce, their families and the community is equally top of mind. COVID-19 protocols will be included in the resource planning to address social distancing requirements with respect to resource density estimates.

We will provide further updates to Commerce City as this work gets closer. We'll also plan to notify stakeholders and the community prior to starting the work and once it is complete.

Brighton Boulevard clean-up

In response to comments received from Commerce City Council during our June 1 presentation, we completed a thorough trash clean-up along the stretch of Brighton Boulevard that passes through the refinery. We believe the bulk of this waste is coming from garbage trucks as they travel down the highway. Our facilities management team has added trash patrol into our daily landscape checks as well as a monthly preventative maintenance protocol, which should help improve the situation.

Sand Creek activities

As previously reported to City Council, Suncor's investigation of the sheen observed at Sand Creek on May 7 has included excavation and drilling activities, integrity checks of the underground barrier wall bordering our property, soil and groundwater sampling, and collection and analysis of surface water samples from along Sand Creek and the South Platte River.

Our investigation currently shows the sheen material is an aged diesel fuel (or fuel oil) that appears to be isolated in an area along the south side of Sand Creek where the original sheen was observed. In late June, Suncor began the following activities to mitigate impacts to this portion of the creek:

- a minor diversion of Sand Creek and further containment of the area where the sheen was observed;



- partial dewatering of the containment area, as needed;
- removing impacted soil and sediment;
- backfilling the impacted area;
- restoring the area to its original condition.

The images below show the location of this work at Sand Creek (figure 1), as well as the scope of the work within the waterway (figure 2).

The planning and execution of this work has involved and will continue to involve discussions with CDPHE, the Army Corps of Engineers, Mile High Flood District, Sand Creek Regional Greenway Partnership, and other key stakeholders. There was a question at the June 1 City Council meeting regarding Sand Creek and specific stakeholder outreach to other divisions within the State. We've confirmed that there are no formal reporting requirements to the Colorado Parks & Wildlife or the U.S. Fish & Wildlife at this time, but we are happy to discuss with them if they have interest. Recognizing that not all stakeholders have the same needs or requirements, we endeavor to engage with each in a way that best fits the nature of our relationship. For example, as mentioned, we've begun working closely with the Mile High Flood District to ensure they are aware of our work and so that we can learn about their storm water management and stream flow operations. The relationships we have with our stakeholders are integral to our business and we're always open to widen our net where appropriate.

Suncor has kept stakeholders and the community informed of this situation via social media and email notifications issued on May 7, May 14, May 27 and June 23.

Figure 1: location of work at Sand Creek



Figure 2: scope of work within Sand Creek waterway:





May Environmental Performance Data

During the month of May, the Commerce City refinery experienced three events that resulted in forty environmental exceedances that required us to notify CDPHE or the EPA. This includes:

- 39 exceedances related to air emissions
 - 38 of these were from the plant-wide shut-down, standby and start-up during and after the power outage that occurred on May 17:
 - 5 fluidized catalytic cracker unit (FCC) carbon monoxide (CO)
 - 1 FCC nitrogen dioxide (NO_x)
 - 9 FCC opacity
 - 9 flare/fuel gas hydrogen sulfide (H₂S)
 - 9 tail gas incinerator sulfur dioxide (SO₂)
 - 1 Emergency Planning and Community Right-to-Know Act (EPCRA) sulfur dioxide (SO₂) reportable quantity
 - 2 flare thermocouple signal losses
 - 2 flare visible emissions
 - 1 flare gas hydrogen sulfide (H₂S) due to flare gas recovery system upset
- 1 event related to surface water (sheen identified on Sand Creek on May 7)

CCR environmental performance YTD this year vs. last year:

- 2019 (through May) – 369 exceedance periods
- 2020 (through May) – 80 exceedances periods

PFOS / PFOA

As we've shared with you previously, we are actively exploring PFOS/PFOA treatment options as part of our ongoing water improvement efforts at the Commerce City refinery. Suncor has conducted testing for PFOS/PFOA at our site, and this testing confirms the presence of PFOS/PFOA in groundwater below the Commerce City refinery.

Recent testing also indicates the presence of PFOS/PFOA in treated groundwater that is discharged from our outfall to Sand Creek (this water is discharged in accordance with a permit issued by CDPHE). We believe the presence of PFOS/PFOA at the Commerce City refinery is due to the historical use of Class B firefighting foam, typical of an industrial site like ours.

Suncor is working closely with CDPHE on this matter, including testing of additional locations near the refinery. The resulting data indicates PFOS/PFOA compounds also are present in varying levels of concentration in nearby surface waters (Sand Creek and South Platte River) both upstream and downstream of the Commerce City refinery. Our most recent analytical



results from Sand Creek surface water sampling, conducted in May both upstream and downstream of the refinery, indicate that samples collected had PFOS/PFOA results below the U.S. Environmental Protection Agency (USEPA) Drinking Water Health Advisory Levels of 70 parts per trillion (ppt).

In regards to firefighting foam, we have replaced our inventory of older foam with a new foam that complies with USEPA's PFOA Stewardship Program-2015 Requirements. We are working through our plan to safely dispose of the older foam through a third-party vendor.

The Suncor Emergency Response Team (ERT) does not currently use any firefighting foam containing PFAS chemicals during our on-site firefighting training events. In the event that any firefighting foam is needed in an actual emergency, Suncor will make all reasonable attempts to keep the material on site through containment or retention to prevent the migration to surface, ground, or storm water.

We continue to closely follow the actions being taken by the EPA and CDPHE to address PFOS/PFOA.

CDPHE settlement agreement updates (Compliance Order 2019-097, 2019-194)

Third-Party Root Cause Investigation

As part of the settlement agreement reached with CDPHE's Air Pollution Control Division in March of this year, the Commerce City refinery is in the process of setting up an independent assessment with a qualified third-party consultant, Kearney. Kearney's assessment will focus on determining the causes of emissions exceedances in excess of our operating permits and other limits; and making recommendations that may include improvements or changes to design, operations, or maintenance, that will minimize or prevent further recurrences of the emissions. The scope of this work will specifically focus on the Plant 1 FCC and Sulfur Recovery Units (SRU) as well as the Plant 2 FCC and SRU.

We are currently finalizing the details with CDPHE, and we should begin engaging with this consultant over next few weeks. We look forward to sharing findings with you.

Community Notifications

Suncor's cross-functional team continues to advance work to evaluate and implement improvements to our community notifications. Specifically, we're in the midst of evaluating how, what and when Suncor shares information and data about the refinery's operations. This phased project will continue through the remainder of 2020 and into 2021. We are currently on schedule to meet the deadlines

The initial phase of this work involved research and identification of potential technologies and systems that can best support community notification and information sharing. In July and



August, we'll move forward with our stakeholder consultation process. Using a qualified third party, Suncor will be reaching out many key stakeholders – including municipal leaders, community organizations, residents and neighbors – to survey, seek input and collect data about community notification preferences. Commerce City Council will be included in this outreach and we encourage your participation. Suncor looks forward to working with Commerce City to support promotion of the surveys to ensure residents are aware they may be contacted. We'll use the survey data to understand how and when the community wants to receive information so we can establish a system that meets their needs.

Suncor must submit a proposal for short-term and long-term community communications and notifications improvements to CDPHE for review and comment by November 30, 2020. As well, Suncor is also required to complete the stakeholder consultation and engagement process by November 30. Short-term communication processes and systems improvements must be implemented by March 30, 2021. The deadline for the long-term improvement measures is September 30, 2021. As the process and project(s) move forward, Suncor will provide status updates through our regular engagement processes with the City and City Council.

Supplemental Environmental Projects (SEPs)

The settlement agreement also requires Suncor to direct approximately \$2.6 million to community projects that focus on improving public health and the environment surrounding the refinery. In light of this, we wanted to provide you with some information on how this process works.

The Colorado Department of Public Health and Environment (CDPHE) administers the Supplemental Environmental Project (SEP) program. SEPs are funded through environmental enforcement actions with regulated entities and must provide environmental or public health benefits. In most SEPs, the regulated entity enters into an agreement with, and submits a payment to, a third-party organization for the completion of the approved SEP project. CDPHE coordinates the selection of SEPs, tracks implementation, and verifies completion. Detailed information and frequently asked questions regarding the SEP process associated with the Suncor settlement agreement is available on CDPHE's [2019 Suncor Settlement SEP Community Process](#) page.

Legislative update

Suncor engages with lawmakers and other stakeholders during and outside of each legislative session. We're aware of the bills that have passed that will require Suncor to consult with CDPHE and others to ensure compliance with all laws, and we'll be working with various agencies on the specifics of some of the air and fees bills, including House Bill 20-1265. Suncor's



goal is to have open and factual discussions to find the right solutions with legislation, including once the bill has passed and is signed into law.

Black Lives Matter and Inclusion & Diversity at Suncor

The month of June has been a time of deep reflection for us. With the killings of George Floyd, Ahmaud Arbery, Breonna Taylor and Elijah McClain, and the circulating videos of violence over the past few weeks, a spotlight has been shone on the injustices faced by Black people in America, and it has illuminated the racism that the Black community also endures in the United States, Canada and across the world.

The calls for justice have been resounding, and as an organization striving to live our purpose, Suncor could not stay silent. We join voices all over the world to denounce racism.

We are making progress on our commitment to inclusion and diversity through our organization, but like society at large, we haven't been doing enough. These are some steps Suncor is taking across all our operations:

- We are highlighting and contributing to Black community organizations, matching employee donations through our SunCares giving program. Organizations our U.S. employees are supporting include NAACP Legal Defense Fund, Bail Project Inc., ACLU Foundation, Black Lives Matter and the Equal Justice Initiative.
- In consultation with our employees and employee-led workplace inclusion networks, we are encouraging the development of events and initiatives that elevate Black voices and offer listening and learning opportunities in our organization. We held our first virtual forum in June.
- As we review our inclusion and diversity strategy, which is focused on inclusion for women and Indigenous peoples, and most recently the LGBT+ community, we will expand our consultation process to ensure a more active involvement of Black and visible minority communities.
- All our leaders are expected to take unconscious bias training, and as outlined in our Leadership Imperative, are accountable to create an inclusive and respectful workplace. We are expanding the resources and tools available to employees to build awareness and drive allyship.

These initial actions are part of our long-term commitment to listen, understand, learn, grow and support. The recent tragedies strengthen our conviction to continue this important work.