



Commerce City Government City Council Presentation

June 1, 2020



Introduction

The world has changed considerably since we last met. We've also had a tough time at the refinery. I'd like to review these changes and challenges with you.

- Plant 2 FCC incident (March 2020)
- May 17 power outage
- Sand Creek activities
- Ongoing COVID-19 response
- Environmental performance
- CDPHE settlement agreement
- Market / operational update
- Other updates



March 17, 2020, Plant 2 FCC Incident Investigation

- At 17:30 on March 17, the #2 FCC Main Air Blower shut down due to an electrical fault in the soft starter
- When the air blower shut down, it caused a release of catalyst and some hydrocarbon from the FCC stack
- Operations immediately intervened, shutting down the FCC
- We conducted air monitoring in the community; data showed no readings of concern
- The electrical fault was caused by improperly routed wires in the soft starter, dating back to 2007, which have been repaired
- The Plant 2 FCC remains down considering refinery operations, crude supply, storage capacity and market conditions



Improperly installed wires touching the fuse

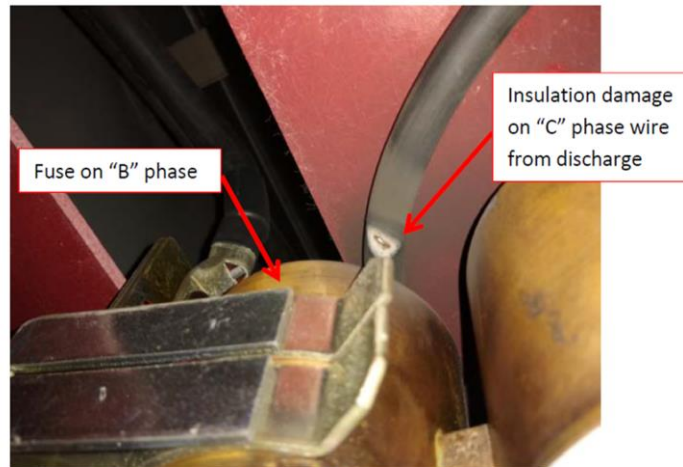


Figure 2: Photo of Faulty Wiring

CCR power outage – May 17, 2020

- At approximately 8:45 a.m. on Sunday, May 17, CCR experienced a power issue that impacted the facility
- Operations responded immediately and brought the plant down safely; we had a smoky flare due to loss of steam to the flare
- No injuries
- Notification made to regulatory authority (CDPHE)
- Suncor conducted air monitoring in the community; data showed no readings of concern
- Refinery was made safe on alternate power supply and re-started (excluding Plant 2)
- Stakeholders/community notified via email and social media (upon incident occurring as well as initiation and completion of re-start)
- Power failure caused by loss of Sandown transformer, which is undergoing further investigation for immediate cause



Sand Creek activities

- On May 7 Suncor identified a sheen in Sand Creek during routine inspections, opposite the refinery
- Immediately installed booms to contain the sheen
- Notified appropriate regulatory agencies and remain in contact as we continue to investigate and share data
- Air monitoring conducted along Sand Creek Regional Greenway; data indicated no readings of concern
- Subsequently installed sand bags to allow further investigation of the source of the observed sheen
- Over the last three weeks, we've completed assessment activities including:
 - Completing excavations and drilling activities to make visual observations, collect soil and groundwater samples
 - Collecting surface water samples from along Sand Creek and the South Platte River
 - Conducting high frequency fluid level measurements and groundwater sampling from existing and new monitoring wells along Suncor's northern boundary
- Assessment activities to date have yet to identify the source
- Investigation is ongoing



Ongoing COVID-19 response at Commerce City refinery

- Health and Safety Above All Else: Suncor remains focused on the well being of our people, our families and communities as we manage this situation within our business
- Since March 16, only essential workers onsite
- Quickly established and implemented Suncor protocols and guidelines around:
 - good hygiene practices
 - physical distancing
 - health self-assessments before coming to and leaving work
 - temperature screening before coming on site
 - required use of face coverings
- Continuing to maintain minimum number of people on site to ensure safe and reliable operation through the short term
- Starting May 26, we are re-introducing another 10% of our workforce to ensure longer-term safe, reliable operation
- The return of the remaining workforce (currently supporting us from home) could be months away

CCR environmental performance

April performance data

During the month of April, the Commerce City refinery (CCR) experienced four environmental exceedances that required us to notify CDPHE. This includes:

- 4 exceedances related to air emissions
 - 1 FCC carbon monoxide (CO) (temporary loss of flow to FCC)
 - 2 flare gas hydrogen sulfide (H₂S) (1 due to planned outage of flare gas recovery system)
 - 1 EPCRA sulfur dioxide (SO₂) (due to planned outage of flare gas recovery system)

CCR environmental performance YTD this year vs. last year:

- 2019 (through April) – 305 exceedances
- 2020 (through April) – 37 exceedances

CDPHE settlement agreement

- Commerce City refinery reached settlement with CDPHE on March 6
- Compliance order [2019-097, 2019-194] outlines several key improvement projects
 - Third-party study
 - Additional HCN emissions monitoring
 - Communications and data-sharing systems with community, stakeholders
 - Suncor cross-functional team established and working on:
 - Identifying tried and tested technologies that can support information sharing
 - Consultation process with many stakeholders, including City leaders and departments, residents, neighbors; we welcome Commerce City Council's perspective on best ways to ensure inclusive community outreach over the summer
 - » Details on when, what and how will be announced
 - » Approach may look different, i.e. virtual

Market / operational update

- Market continues to respond to uncertainty
- Due to COVID-19 restrictions, demand for transportation fuels remains depressed at Commerce City refinery and across North America

CCR product	Demand reduction today	Demand reduction one month ago
Gasoline	~20%	~50%
Diesel	~25%	~25%
Jet fuel	~85%	~75%
Asphalt	Normal	Normal

- Rapid decrease in transportation fuel demands has resulted in decreased refinery production
- Subsequently, North American crude oil pricing has decreased to the point where a number of suppliers have stopped production

Other updates

- Union Pacific Railroad awarded CCR with 2019 Chemical Transportation Safety Pinnacle Award, recognizing companies with zero releases in shipping hazardous materials in rail cars
- \$60K contribution to Colorado COVID Relief Fund
- PPE donations to Adams County response agencies coordinated through Tri-County Health:
 - Adams County Office of Emergency Management: 2,000 KN-95 masks; 1,000 nitrile gloves, Tyvek suits
 - Adams / Jefferson Hazardous Authority: 3M half-face respirators, Tyvek suits, and Kappler hazmat suits
 - Northglenn Ambulance: 125 P100 respiratory filters
- Also donated 20 half-face respirators and 96 air-purifying cartridge packs to SACFD

