



Suncor Update

Commerce City – City Manager's Report
May 4, 2020 (submitted 4/24/2020)

Market / operational update

Given the current business climate due to COVID-19, we continue to see the market respond to uncertainty. Demand has dropped rapidly in Colorado (and throughout North America) for transportation fuels, particularly gasoline and jet fuel. At the Commerce City Refinery, we have seen the following reductions in demand for our products:

- Gasoline: ~50% reduction in demand
- Diesel: ~25% reduction in demand
- Jet fuel: ~75% reduction in demand

As a result, we shut down Plant 2 in early April. We arrived at this decision after considering refinery operations as a whole, impacts to crude supply, and finished products storage capacity. Shutting down Plant 2 allowed us to manage the refinery's fuel inventories and storage capacity and respond to local market conditions and the decreased demand for gasoline and jet fuel. We believe that taking this step to shut down Plant 2 also will allow us to continue to meet Colorado's fuel needs and at maintain safe operation and employment at the refinery.

Plant 2 will remain offline until we see product demand return such that it becomes operationally viable to re-start and sustain. In the meantime, the remainder of our Commerce City Refinery assets continue to run safely, reliably and at rates to meet the gasoline market demands.

COVID-19 response

In line with our value of Health & Safety Above All Else, Suncor remains focused on the well-being of our people, our families, and communities as we continue to manage the COVID-19 situation within our business. Our Commerce City Refinery response management team continues to connect daily to navigate through these unprecedented circumstances. We continue to take the following actions to mitigate risk of workplace exposure, including such things as:

- Maintaining the minimum number of people working on site to keep our assets running safely and reliably



- Ensuring adherence to 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
- Following the assessment and isolation protocols implemented through our Health & Wellness team with respect to employees and contractors who have potential or confirmed COVID-19. (As of the time we submitted this report, we have had one confirmed case within the Commerce City Refinery workforce.)

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.

As we make the adjustments required to keep our people safe while our business is running, we are continuing to pay all our employees consistent with their work status and schedule.

The U.S. Department of Homeland Security recently issued Version 3.0 of "Guidance on the Essential Critical Infrastructure Workforce," providing updates and clarifications on some industries and categories of essential workers. Suncor's designation as "critical infrastructure industry" remains, and we take seriously the role we play in safely and reliably providing the essential fuels that help transport critical supplies to frontline workers, mobilize emergency services vehicles, keep grocery store shelves stocked, provide asphalt for road repairs and much more.

Operational outlook

With regard to our Commerce City operations, the impacts of isolation and physical distancing requirements for COVID-19 are causing refined products demand to fall significantly. Given the uncertainty with this situation, we would not be surprised for the Commerce City Refinery to be operating under present conditions for the next few months.

At the time we submitted this report, Governor Polis announced a gradual lifting of statewide restrictions to begin after the stay-at-home order expires on April 26. That said, local jurisdictions may choose to keep stricter requirements in place. With the current over-supply of gasoline in the market, even when cities, states and regions open up and demand begins to rebound, production ramp-up will need to be phased in as surplus product is consumed and we begin to see a rebalancing of supply and demand.



Environmental performance

March 17 event: next steps

At the time we submitted this report, we are near completion of our thorough investigation into the March 17 equipment malfunction in our Plant 2 fluidized catalytic cracker (FCC) unit. Once we've concluded the investigation we will be meeting with the Colorado Department of Health & Environment (CDPHE) to share our detailed findings and action plan for future re-start. As reported, Plant 2 is currently shut down, and it will remain offline until Suncor and CDPHE are satisfied with the investigation findings and path forward, and market demand for our products has returned.

March environmental performance data

During the month of March, the Commerce City Refinery experienced nine environmental exceedances that required us to notify CDPHE or the EPA. This includes:

- 9 exceedances related to air emissions, of which 4 were from the March 17 event
 - 3 FCC opacity
 - 2 flare and/or fuel gas hydrogen sulfide (H₂S) exceedances
 - 2 product on tank roof
 - 1 flare excess visible emissions
 - 1 vapor combustion unit temperature exceedance
- 1 reportable spill on Suncor property

Here is a snapshot of our environmental performance in Q1 of last year versus Q1 of this year:

- Q1 2019 – 197 exceedances
- Q1 2020 – 33 exceedances

While we are still not where we want to be, we are doing better, and we remain steadfast in our commitment to continuing to improve our environmental performance.

Citizens Advisory Committee

As large gatherings remain unsafe and are restricted by public health orders due to COVID-19, we have canceled our Commerce City Refinery Citizens Advisory Committee meeting typically held each spring. We notified committee members via a letter mailed in late April, and we remain optimistic about the possibility of reconvening for our annual Thanksgiving-themed



gathering in the fall. That said, our number one concern is the health and safety of this group and our broader community, so we will make this decision later this year based on public health information available at that time. We will keep Commerce City Council apprised of this decision. As always, Council will be invited and we encourage you to join us for these community gatherings.

Community Investment

Suncor is committed to providing appropriate support throughout this period of increased uncertainty. In addition to honoring existing commitments, we are taking the following actions to support local COVID-19 response, relief and recovery efforts:

- A \$60,000 donation to the Colorado COVID-19 Relief Fund
- The following in-kind donations:
 - Bottled water to Boys & Girls Clubs of Metro Denver, Food Bank of the Rockies, Salvation Army and American Red cross
 - Food/grocery items to local organizations providing food to those most in need.
- Creation of a regional COVID-19 giving opportunity for our employees, with Suncor offering a dollar-for-dollar match for donations up to \$2,000 per employee (per year).

Additionally, the Commerce City Refinery's Environmental Health and Safety team donated 20 half-face respirators and 96 air-purifying cartridge packs (compatible with the respirators) to South Adams County Fire Department to help protect them when responding to medical calls and potential COVID-19 cases in the community.