

Suncor Update

Commerce City – City Manager's Report August 3, 2020 (submitted 7/27/2020)

Market / operational update

Local demand for fuel products remains strong and crude oil pricing is holding steady at a level supportive of increased supply coming online. To our north, HollyFrontier, which supplies around 20% of the transportation fuel supply in the Colorado market, is shutting down its Cheyenne Refinery in early August. Due to a number of factors, including these favorable market conditions, we are in the early stages of starting up Plant 2.

Our focus is completing the Plant 2 start-up in a safe manner while minimizing any impacts on the neighboring community and the environment. The refinery leadership team has been planning for this event for the past several weeks, and on July 22 we met virtually with the Colorado Department of Public Health and Environment (CDPHE) to inform them of our planning and preparations. The start-up is a phased process that will take place over the course of a few weeks, beginning with the Plant 2 crude and reformer units in early August, followed by the Plant 2 fluidized catalytic cracker (FCC) currently scheduled for mid-August. While the plant was down, we took the opportunity to conduct additional preventative maintenance, upgrades and training.

Our communications planning to support this work is also underway. Suncor plans to notify stakeholders and the community prior to staring up the crude and reformer units, again prior to starting up the FCC, and upon completion of the start-up. We will issue communications in English and Spanish via Suncor's current channels including direct email to key stakeholders as well as social media. We are also preparing contingency communications should any issues arise in the start-up process.

COVID-19 update

The health and safety of our workforce, their families and our communities remains top of mind at Suncor. 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. The majority of our "non-essential" workforce continues to support us from home and we still anticipate their return to be 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.



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 continues to indicate the sheen material is currently not coming from inside the refinery, but is an aged diesel fuel (or fuel oil) that appears to been caught in the creek bed in an area along the south side of Sand Creek (local to the original sheen observation area) many years ago. 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 (an estimated 770 cubic yards of material have been removed as of 7/24/20); and
- collecting and analyzing soil and sediment samples to document the effectiveness of the mitigation activities.

In the coming weeks, Suncor will be working to obtain CDPHE's approval for proceeding with the backfilling and restoration activities. These activities will commence after receiving CDPHE's approval.



Figure 1: location of work at Sand Creek



Figure 2: aerial image of Sand Creek work area, July 16:





May Environmental Performance Data

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

- 5 exceedances related to air emissions
 - 2 of these were from a sulphur recovery unit malfunction that caused the tail gas incinerator to trip offline
 - 3 were due to taking the tail gas unit offline for a critical line repair
- 2 events related to releases to soil

CCR environmental performance YTD this year vs. last year:

- 2019 (through June) 372 exceedance periods
- 2020 (through June) 87 exceedance periods

PFAS / PFOS / PFOA

In addressing this ongoing issue, it is important to distinguish among the acronyms "PFAS", "PFOS" and "PFOA". Perfluoroalkyl substances (PFAS) refers to a larger group of synthetic chemicals of which Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA) are a part.

The U.S. Environmental Protection Agency (EPA) established a "health advisory" level for only two specific PFAS substances, PFOS and PFOA, in drinking water. Specifically, the EPA established a health advisory level of 70 parts per trillion (ppt) for combined concentrations of PFOS and PFOA to provide "a margin of protection for a life-time of exposure to PFOS and PFOA from drinking water." As explained by the EPA, its "health advisories are non-enforceable and non-regulatory and provide technical information to states agencies and other public health officials."

Suncor continues to work closely with CDPHE and other industrial sites and stakeholders to gather and share data so we can better understand the nature and extent of PFOS/PFOA in Colorado communities. This includes through the Water Division's process with respect to PFAS Narrative Policy 20-1.

Suncor completed surface water sampling for PFOS / PFOA at Sand Creek and the South Platte beginning in August 2019. After this sampling event, starting in October 2019 we began surface water sampling of Sand Creek locations monthly, and from the South Platte River quarterly. Our results from the most recent surface water testing at Sand Creek (June 2020) indicate that



PFOS/PFOA compounds are present both upstream and downstream of the Commerce City refinery, in varying levels both below and above the EPA health advisory of 70 ppt:

June 2020 results – Sand Creek surface water

- Upstream of refinery: 65-84 ppt
- Along refinery and upstream of Suncor outfall to Sand Creek: 67-72 ppt
- Downstream of Suncor outfall to Sand Creek: 72-78 ppt

Suncor's additional water sampling efforts have included sampling and testing of groundwater under and near the Commerce City refinery (since October 2018), and treated wastewater discharged into Sand Creek, pursuant to Suncor's permit issued by CDPHE (since June 2019). Results from testing and sampling groundwater and treated wastewater have indicated the presence of PFOS/PFOA compounds in varying levels both below and above the EPA health advisory of 70 ppt.

Suncor has shared all water sampling results with CDPHE, which are publicly available, and we continue to work closely with CDPHE on this matter.

As a reminder, the Suncor Emergency Response Team (ERT) does not currently use any firefighting foam containing PFAS chemicals during our on-site firefighting training events, and Suncor has replaced its older Class B firefighting foam with a new foam that complies with the EPA's PFOA Stewardship Program-2015 Requirements. In the event that <u>any</u> 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 actively exploring PFOS/PFOA treatment options as part of our ongoing water improvement efforts at the Commerce City refinery.

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

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 expect to execute an important phase of the community notification project in mid to late-August, when we launch our stakeholder consultation and community engagement process. This outreach is critical as we solicit input from key stakeholders and the community to help us



determine what changes we should consider. Our third-party consultant is conducting this research, which will include several different types of survey approaches depending on the audience – from one-on-one conversations and focus groups to online and phone surveys in both English and Spanish. Prior to the broad community engagement, Suncor will promote the effort through various advertising channels. The resulting survey data will inform our plans and supporting us in determining short-term and long-term improvement opportunities. We are currently on schedule to meet the associated deadlines:

Deadline	Compliance Order Requirement
November 30, 2020	 Suncor must submit a proposal for short-term and long-term community communications and notifications improvements to CDPHE for review and comment. Suncor is required to complete the stakeholder consultation and engagement process
March 30, 2021	Short-term communication processes and systems improvements must be implemented
September 30, 2021	Long-term improvement measures must be implemented

Other items

Community updates:

Suncor's purpose is to provide trusted energy that enhances people's lives, while caring for each other and the earth. We're working hard every day to demonstrate our commitment to this purpose, and one of the ways we do this is through our community investment activities. Here is a recap of some of our July activities:

- Suncor employees delivered approximately \$5,000 worth of food, grocery and personal hygiene supplies to the Adams 14 School District. These items will be made available at no cost to Adams 14 students and families experiencing food insecurity and other economic hardships.
- We made a food donation and delivery of similar value to We Don't Waste, a food
 redistribution organization supporting underserved populations in the metro area. We
 Don't Waste sent a portion of this food to The GrowHaus and another portion to Focus
 Points Family Resource Center. While both organizations are geographically located in
 the Elyria-Swansea neighborhood, both serve families who reside in Commerce City.



Additionally, through our longtime partnership with the Adams 14 Education Foundation, Suncor has underwritten for several years scholarships in the district that are geared toward students with an interest in the sciences or mathematics-related fields. We are honored to share with you that this year, the Suncor Scholarship will be presented to Adams City High School graduate Mariana Guevara-Galvan. As a senior, Mariana participated in sports, clubs and community service all while maintaining a part-time job and a 4.34 GPA, earning her honor roll for the fourth consecutive year as well as the Colorado School of Mines' Medal of Achievement in Math and Science. There is much more to Mariana's amazingly inspirational story, and we hope you'll join us to hear more about her at the Adams 14 Education's annual "14er Fest" — which is going virtual this year — on August 10 from 7-8 p.m.