

Suncor Energy (U.S.A.) Inc. Update

Commerce City – City Manager's Report December 7, 2020 (Submitted Nov. 30)

Overview

The Commerce City refinery's Leadership Team is grateful for the Council's engagement at the October 26 study session. We welcome the opportunity for a deeper partnership with Council on workforce development, communication, and improving community trust. This report provides information in response to specific questions from Council raised during the study session along with other updates.

News and Updates

New Pipeline Connection

The Suncor Energy (U.S.A.) Pipeline Company is reducing truck traffic and vehicle emissions in Colorado with a new pipeline connection supplying crude oil to our Commerce City refinery. Suncor commissioned and began operations in October. Pipelines are a safe, reliable way to transport fuel. The new pipeline connection transports Colorado crude oil from Platteville to Suncor's existing crude oil supply pipelines, displacing the need for trucks to travel to the Commerce City refinery to deliver Colorado crude oil. It will also improve delivery reliability as winter approaches and increase access to local crude production. Currently, the project is already reducing crude trucks by about 150 per day.

Startup Activities Following 10/21 Internal Power Incident

On October 21, the Commerce City refinery experienced a power issue in one of its internal transformers. Several units were taken offline and thorough checks and repairs were completed. The transformer was replaced and various units safely restarted in the weeks following the event, including a separate restart of a unit in Plant 2 that produces gasoline (the fluidized catalytic cracker unit, or FCC).

As a precautionary measure, we conducted air monitoring in neighboring communities. The results showed no detectible levels of carbon monoxide (CO), hydrogen sulfide (H2S), sulfur dioxide (SO2), or volatile organic compounds (VOCs).

The refinery also monitors Colorado Department of Health and Environment's (CDPHE) community air monitoring data. The state's air quality monitoring data can be found at: https://www.colorado.gov/airquality/report.aspx. The CDPHE monitors located near the refinery include La Casa, Globeville, Swansea, CAMP, and Welby.

Suncor notified the community at the beginning, middle, and end of startup activities. Due to the initial event and subsequent startup process, some emission levels were exceeded, as described below.



Oct. 26 through the Morning of November 25 Environmental Performance Data

During the time period of Oct. 26 through Nov. 25, Suncor continued to have exceedances associated with the Plant 1 shutdown, outage and restart activities following the event that began on Oct. 21. The Commerce City refinery also experienced 2 additional events — resulting in 16 environmental exceedances (air) — that required us to notify CDPHE or the EPA. Accordingly, exceedances between October 26 and November 25 include:

- 40 exceedances related to air emissions (Plant 1 outage and restart)
- 8 exceedances related to air emissions (No. 2 FCC shutdown and restart)
- 1 exceedance related to air emissions (Plant 2 Flare Gas exceedance)

CCR environmental performance through the morning of Nov. 25 this year vs. last year:

- 2019 (through November 25) 404 exceedance periods
- 2020 (through November 25) 188 exceedance periods

2020 Environmental Performance through November 25 (opacity, excess SO₂, H2S)

- Number of permit limit exceedances
 - ~56% decrease vs. 2019
- Duration of permit limit exceedances (how long to stabilize/stop the emissions)
 - ~42% decrease vs. 2019
- Tons of SO₂ emissions (through 10/31)
 - ~48% decrease vs. 2019

October 26 Study Session Follow-up

PFAS

As we mentioned in our presentation, the refinery's wastewater discharge into Sand Creek has, at times, been above the translation level of 70 ppt for PFOA+PFOS+perfluorononanoic acid (PFNA). As discussed on October 26, the refinery's discharge permits do not currently contain any limits for PFOA+PFOS+PFNA. The refinery is committed to meeting Colorado standards with respect to PFAS, including in its permits, and is already designing improvements to treat PFOA+PFOS+PFNA in our discharge.

On November 11, we provided a letter with additional data that the refinery has collected regarding PFAS in Sand Creek. This included a figure and table showing the surface water concentrations of PFOA+PFOS+PFNA along Sand Creek upstream of the refinery, at the refinery, and downstream of the refinery.

The data showed that PFOA+PFOS+PFNA levels are elevated upstream of the refinery and remain relatively unchanged as it flows past the refinery and ultimately into the South Platte River. We have provided this data to



CDPHE for its consideration in the overall PFAS strategy, and we will continue to work with CDPHE to address the PFAS issue.

Taxes Paid by Suncor

Suncor's U.S. operations and fuel sales have generated over \$200 million in Colorado state, county, and municipal taxes over the past five years, averaging approximately \$40 million annually. This includes:

- Over \$55 million in property taxes to Adams County, averaging \$11 million annually.
- Over \$20 million in sales and use tax to Commerce City, averaging \$4 million annually.

Community Investment

Suncor Energy (U.S.A.) Inc. invests in our local communities by addressing community issues and needs while seeking solutions and benefits for all. We show up in our community in the following ways:

<u>Charitable donations</u>. Suncor proudly contributes to charitable organizations and initiatives that align with our community investment funding priorities: Indigenous Peoples, community resilience and energy future.

<u>Sponsorships</u>. Suncor supports nonprofit and charitable activities and events that align with our community investment funding priorities and strategy, as well as our business interests through sponsorships and donations (including donations to organizations that do not have charitable status, but are conducting charitable initiatives), financial assistance, in-kind contributions, product donations and event sponsorships.

<u>SunCares employee program</u>. Our employees are passionate about giving back to the communities where they live and work. Their engagement makes a difference in helping to build strong, sustainable communities. Through this program we reward volunteer efforts with monetary donations to the employee's organization of choice. We also offer a 1:1 match for personal donations made by employees.

Since 2012, we have invested more than \$7 million in our operating communities in Colorado and Wyoming, with the majority of these dollars supporting initiatives benefiting residents in the Denver metro area.

Over the past year, we've supported over 70 community initiatives implemented by more than 50 organizations, including the following that have a direct impact in the Commerce City community:

- ACCESS Housing
- Adams 14 Education Foundation
- Adams County Education Consortium
- Adams County Sheriff's Foundation
- Adams County Youth Initiative
- Boys & Girls Clubs of Metro Denver / Suncor Boys & Girls Club



- City of Commerce City (Project Present, Good Friends Scholarships)
- Colorado 4-H Foundation (Adams County 4-H Programming)
- Cultivando
- Kids First Health Care
- Nine Health Services Inc. (Feria de Salud in Commerce City)
- Regional Air Quality Council Clean Air Fund
- Sand Creek Regional Greenway Partnership
- School District 12 Education Foundation
- South Adams County Volunteer Fire Dept.

In 2020, we sought out additional ways to help our community in response to COVID-19. This included a \$60,000 donation to the Colorado COVID Relief Fund as well as personal protective equipment (PPE) donations to Adams County response agencies (coordinated through Tri-County Health). We also donated PPE to MetroCaring, an anti-hunger organization serving populations in the metro Denver area, including Commerce City.

Over the summer, our employees delivered approximately \$5,000 worth of food, grocery and personal hygiene supplies to the Adams 14 School District. These items were 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.

Most recently, we again worked with the Adams 14 School District to deliver HelloFresh Thanksgiving meals to 120 Commerce City families in need.