

IN THE PROVINCIAL COURT OF ALBERTA
CRIMINAL DIVISION

Between:

HER MAJESTY THE QUEEN

and

SUNCOR ENERGY PRODUCTS PARTNERSHIP PRODUITS SUNCOR
ENERGIE, S.E.N.C.

AGREED STATEMENT OF FACTS

A. Background

1. On Information 200636090P1 Suncor Energy Products Partnership Produits Suncor Energie, S.E.N.C. ("**Suncor**") stands charged that:

On or about the 18th day of July 2018, at or near Sherwood Park, in the Province of Alberta, did contravene a term or condition of an approval: To wit, Approval No. 10184-03-00, Section 4.1.1 which states: "The Approval Holder shall not release any air effluent streams to the atmosphere except as authorized by this approval". And did thereby commit an offence contrary to section 227(e) of the *Environmental Protection and Enhancement Act*.

2. Suncor is a general partnership organized under the laws of Alberta.

B. Edmonton Refinery Operations

3. Suncor owns and operates a refinery in Sherwood Park, Alberta, just east of Edmonton (the "**Edmonton Refinery**"). The Edmonton Refinery has a crude oil capacity of 146,000 barrels per day. Production yield from the Edmonton Refinery primarily includes gasoline, distillate and other light oils, which are delivered to distribution terminals across Western Canada.
4. The Edmonton Refinery includes a process unit known as the "**Coker Unit**", which converts heavy crude residuum oil into light and heavy gas oils and other usable products. The Coker Unit at the Edmonton Refinery uses a common process known in the industry as delayed coking and has two drums to allow for continuous operation.
5. The operation of the Coker Unit is part of normal operation at the Edmonton Refinery. The operation is conducted daily when the Edmonton Refinery is processing feedstock.
6. A by-product of the coking process is Hydrogen Sulfide gas. Short-term exposures to low amounts of Hydrogen Sulfide gas may cause respiratory and eye irritation. Longer exposures or exposures to more concentrated Hydrogen Sulfide may cause injuries that are more serious or death.

C. July 18, 2018 Incident

7. On July 18, 2018 at approximately 11:25 am, the Edmonton Refinery had a release of process fluids, including Hydrogen Sulfide gas, from the Coker Unit during routine operation (the "**Incident**"). It could not be determined exactly how much Hydrogen Sulfide was released. However, the belief is that approximately 1.1 m³ of process fluid was released during the Incident, a portion of which was Hydrogen Sulfide gas. The release lasted approximately 4 minutes, following which emergency procedures were initiated.
8. Following the Incident, an investigation was initiated by Suncor into its cause. The investigation determined that a valve (the "**Valve**") on a pipe was not closed entirely during the stream-drying phase when it otherwise should have been. This

allowed Hydrogen Sulfide gas to backflow through the Valve, and then out of a process water drain where it was released to the atmosphere.

9. All operators that conduct work in the Coker Unit have extensive training. Procedures to operate the Coker Unit are extensive and indicate that the Valve was to be closed during the steam-drying phase of the coking process. The investigation could not establish with certainty why the Valve was not closed entirely. No similar issues have occurred at the Coker Unit following the Incident.
10. Suncor's Alberta Environment and Parks Approval did not authorize an air effluent stream to atmosphere release as occurred in this matter.
11. Since the Incident, operating procedures for the Coker Unit have been updated to require that a second valve be closed during the steam-drying phase, in addition to the Valve, to ensure that process fluids such as Hydrogen Sulfide gas do not escape. The addition of a second valve to the procedure provides double isolation protection.
12. There were approximately 22 workers in the vicinity of the Coker Unit at the time of the Incident, including Suncor employees and contractors. All 22 worker were accounted for, monitored, and treated by medical staff at the Edmonton Refinery onsite medical facility. Five individuals, who complained of symptoms consistent with Hydrogen Sulfide exposure, including nausea, vomiting, headache and loss of balance, were sent to hospital for further evaluation or care. All of these individuals were released later that day.
13. At the time of the Incident, there were more workers in the vicinity of the Coker Unit than is normally the case, as insulation work was being completed on a nearby part of the facility.

D. Agreements

14. The parties agree:
 - a. Suncor will plead guilty to Count 1 on Information 200636090P1, as described in paragraph 1 of this Agreed Statement of Facts.
 - b. The facts contained within this Agreed Statement of Facts are fully admitted and acknowledged by Suncor and will solely form the facts to be considered

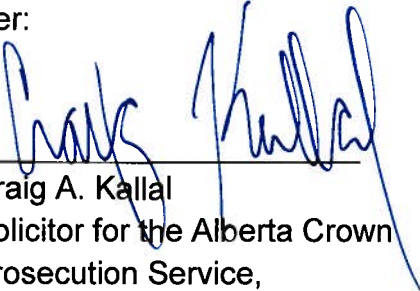
by the Judge pronouncing sentence upon Suncor. The parties will be at liberty to make further submissions about those facts to the Court.

- c. The parties will jointly submit that Suncor should receive a penalty of \$100,000.00 for Count 1 on Information 200636090P1.
- d. This Agreed Statement of Facts may be filed and relied upon even if signed in counterpart or by facsimile copies of the signatures of any person or both.

CONSENTED TO WITH RESPECT TO FORM AND SUBSTANCE this 16 day of April, 2021.

Alberta Crown Prosecution Service


Per:



Craig A. Kallal
Solicitor for the Alberta Crown
Prosecution Service,
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McLennan Ross LLP

Per:



Ronald M. Kruhlak, Q.C.
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