

GROWTH, COMMUNITY & FUTURE-PROOFING

The team at Flint Hills Resources explains how keeping up with demand and community engagement is enhancing its services

OVER THE decades, Austin, Texas has witnessed remarkable changes in its fuel terminal landscape. Once home to seven different terminal companies, the passage of 30 years has seen all but one fade into history. As the population of the area has soared, so too has demand for transportation fuels. Flint Hills Resources credits keeping the community at the forefront of its operations in its ability to keep pace with Austin's growth.

Flint Hills Resources' original single facility has since expanded into four area terminals – including one exclusively for jet fuel. The company estimates that its facilities supply the majority of transportation fuels consumed in the Austin market.

Flint Hills Resources is a leading independent refining company with operations in the Midwest and Texas. The company's Texas business consists of a crude oil gathering system, two refineries in Corpus Christi, a proprietary pipeline and terminal network, and fuels and chemical marketing and trading. Gasoline, diesel, and jet fuel are distributed through its Texas Pipeline system to South Texas, San Antonio, the Austin-area, Waco, and the Dallas-Fort Worth metroplex.

'Austin is a unique market,' says Todd Craig, executive vice-president for refined products. 'Remaining one of very few companies relied on to keep Austin moving requires understanding what is important to people who live here. We know we'll be held to high standards, but high standards make for better operators.'

GROWTH & BEING GOOD NEIGHBORS

Texas Pipeline 1 was constructed in 1989 with four original terminals in San Antonio, Austin, Waco, and Euless, Texas. By 1996, Texas Pipeline 2 expanded capacity from Corpus to Euless and supplied jet fuel to airlines at the Dallas Fort Worth International Airport. Distribution assets stayed close to Interstates 37 and 35 in Central Texas, which has seen unprecedented population growth in recent years.

By staying grounded in its vision and values, Flint Hills Resources' Texas

business evolved from importing crude oil and sending finished fuels to markets around the country to keeping its feedstock procurement and refined products close to home. In 2010, the refineries ran about 30,000 barrels per day of domestic crude. Today, Flint Hills Resources' Corpus Christi refineries process approximately 350,000 barrels per day of exclusively produced domestic oil and distributes transportation fuels through 10 proprietary facilities.

'We are proud to be a refiner of Texas-produced crude oil,' says Rodney Dillon, vice president and manufacturing manager. 'One thing that is impressive about Flint Hills Resources Texas operations right now, is that the distance between where the oil comes out of the ground to where the fuel gets consumed is a few hundred miles. That's a rare feature in global commodities.'

In the early 2000s, as the industry transitioned to Ultra Low Sulfur Diesel, the company stopped shipping jet fuel on both pipelines, and concentrated jet shipments on its line to Dallas-Fort Worth. This allowed for better management of government-required diesel

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specifications, protected the quality of the jet fuel, and reduced the amount of product lost to incompatible interface.

As a result, jet fuel supply that went to airlines flying out of Austin Bergstrom International Airport shifted to a new jet-only facility, built west of the city in Bastrop County in 2006. An additional truck loading bay was added at the Bastrop terminal in 2022 to support increasing demand from Austin airlines. 'As Austin has grown, Flint Hills Resources has invested in its pipeline and terminal network to support that growth,' says Randy Lenz, senior vice president of operations.

NEW PROJECTS

Community engagement, stakeholder relationships, and working collaboratively with elected officials and regulatory agencies are best practices that the company considers part of its success. According to Craig, 'We have to be more than a reliable supplier to our customers, we strive to be considered a preferred partner by the whole community.'

Prior to pursuing significant projects, Flint Hills Resources makes sure to consult with community stakeholders to establish continuous feedback loops to make sure it is listening to different community concerns and providing updates as projects progress.

In 2010, the company completed a terminal south of Austin in Mustang Ridge, and a fourth facility in Taylor, northeast of

the city, was commissioned in 2020. The new terminals reduced waiting time, idling time, and distance that fuel trucks had to drive to reach their final destinations.

EFFICIENCY & SAFETY

Flint Hills Resources terminals are designed for maximum efficiency. Every truck loading bay in a terminal is configured identically, which eliminates drivers jockeying for loading positions behind a specific bay if another is available. Product throughput is maximized, and truck wait-times associated with last-mile distribution are reduced.

Truck staging is also critical. Flint Hills Resources is sensitive to traffic patterns, and the needs of nearby businesses, neighbors, and first responders to have access to non-congested streets. Terminal footprints are designed – and several have been redesigned as demand has increased – to minimize trucks waiting to load on public roadways.

All the terminals operate with the same high standards for health and safety. The Austin, Bastrop, and Mustang Ridge terminals have all earned Star of Excellence recognition through OSHA's Voluntary Protection Program (VPP). This indicates above industry-average performance for safety and health management, robust prevention and control programs, and comprehensive safety and health training.

According to Lenz, the company's focus on safety and the environment is embedded in its culture. 'Our stewardship philosophy challenges us to innovatively create value in society while utilizing as few resources as possible,' he says. 'We are proud of how we do that in Austin and throughout our entire network.'

THE COMMUNITY MATTERS

Flint Hills Resources tries to make a positive difference in the communities it calls home. The company identifies four different stewardship initiatives in its vision: health & safety, people & communities, the environment, and innovation. By contributing time, talent, and funding to a variety of community organizations, Flint Hills Resources strives to be an operator of choice.

Across its network, Flint Hills Resources participates in Community Action Councils and routinely collaborates with community stakeholders. In addition, employees participate meaningfully in Local Emergency Planning Committees (LEPCs), engage with city governments at public meetings, and share information with local neighborhood associations and other NGOs about operations, projects, and new initiatives. As such, Flint Hills Resources sees the relationship with



the community as an integral part of successful operations.

Environmentally focused projects include pollinator plantings, strategic maintenance of pipeline rights-of-way, and working with organizations like the Wildlife Habitat Council to validate land management practices.

ENVIRONMENTAL CARE

Since 2000, the Corpus Christi refineries have reduced their total traditional criteria air emissions by nearly 70%, while increasing production to meet demand. The company has made significant investments in equipment upgrades and process improvements that increase reliability and efficiency. Tools that leverage innovative technology are used to protect people, employees and neighbors, and the environment.

Following a multi-year collaboration between Flint Hills Resources, its Molex affiliate, and the US Environmental Protection Agency (EPA), Flint Hills Resources deployed digital sensors at its refineries as a potential alternative to traditional leak detection and repair practices. Method 21 monitoring requirements can be challenging due to their time-based, human-dependent approach, but the new leak detection sensing network resulted in an EPA-approved alternative means of emission limitation (AMEL) to innovate a fixed, continuous detection mechanism.

The sensors assess VOCs at the parts-per-billion (ppb) level and utilize wind direction to triangulate the location of incipient leaks. The revolutionary new monitors facilitate early awareness and response to potentially abnormal conditions. They have been installed at Flint Hills Resources' Austin terminal and are scheduled to be deployed throughout all company terminals by the end of next year.

Additional innovations include the application of cameras and OGI imaging combined with AI data analytics to establish baseline operating conditions and monitor for and react to, minuscule changes in equipment or the environment. Next-generation digital

approaches like these have the potential to further minimize emissions and enhance safety for Flint Hill Resources' own employees and the people who live and work around its facilities.

STEM EDUCATION

In Corpus Christi, Flint Hills Resources is the sponsor of the Texas State Aquarium's (TSA) Center for Excellence in STEM Education. Flint Hills Resources has supported the TSA for over thirty years, beginning with its construction in 1990. The aquarium is one of the widest-reaching learning facilities in the state and introduces the animals and habitats of the Gulf of Mexico to over 80,000 students annually.

Flint Hills Resources supports the TexPrep pre-freshman engineering program which is a Texas state initiative providing educational enrichment opportunities for high-ability middle and high school students interested in pursuing science-based careers.

The company also sponsors scholarships targeted at students planning careers in math, science, technology, engineering, or construction. 'Our Discovery Scholars program awards scholarships to graduating seniors in our Texas operating areas who demonstrate financial need, academic excellence, and leadership capabilities,' says Andy Saenz, director of public affairs. 'We are honored to play a small part in helping these students reach their full potential.'

FUTURE PREPARED

Flint Hills Resources sets an example in the energy sector by considering the wider picture. Establishing good relationships with the community and prioritizing the environment by identifying and closing gaps through the use of innovative technology and transformative practices positions the company to anticipate and adapt to challenges. By nurturing mutually beneficial relationships with stakeholders, embracing innovation, and building on a history of continual transformation, the company is well positioned today, and is primed for future enhancements.

For more information:

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01 Air monitors installed throughout the Austin terminal facilitate early awareness and response to abnormal condition

02 Installed throughout the facility, cameras combine with data analytics to establish baseline operating conditions