



FUEL SYSTEM LEASE AGREEMENT

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- Implementing Vision 100
- City Council Request
- Fuel System Overview
- Fuel Consortium Background
- Supply Chain Challenges
- Benefits of New Lease
- Fuel Consortium
- Lease Benefits & SAF Opportunities
- Q&A



100 MILLION ANNUAL PASSENGERS

- SUSTAINABILITY & RESILIENCY • EQUITY, DIVERSITY & INCLUSION
- CONTINUOUS STAKEHOLDER INPUT/FEEDBACK • ENHANCING THE CUSTOMER EXPERIENCE

PILLAR 1



POWERING OUR PEOPLE

- Develop Workforce Leadership Strategy
- Establish Center of Excellence and Equity in Aviation
- Implement Career Pathways Program

PILLAR 2



GROWING OUR INFRASTRUCTURE

- Complete Major Infrastructure Projects
- Update Airport Master Plan
- Develop Infrastructure Plan for DEN Real Estate

PILLAR 3



MAINTAINING WHAT WE HAVE

- Complete Concourse Renewal Program
- Update Strategic Asset Management Plan
- Develop Science-Based Greenhouse Gas Emissions Target

PILLAR 4



EXPANDING OUR GLOBAL CONNECTIONS

- Identify Air Cargo Opportunities
- Expand to Disconnected Destinations
- Grow Domestic Network

CITY COUNCIL REQUEST

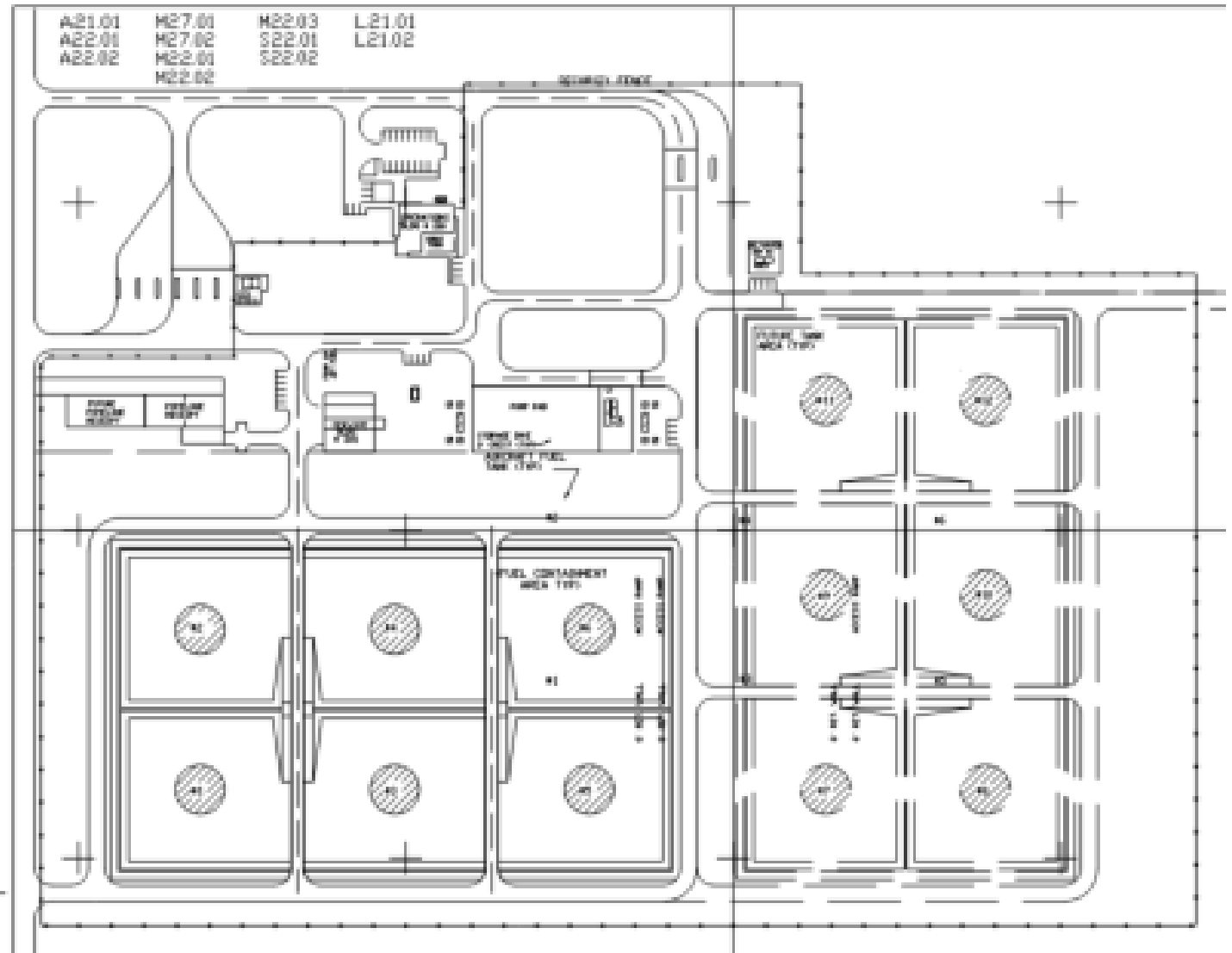


- Approve lease agreement with DEN Fuel Company, LLC for 31 years and at the amount of Rates and Charges associated with the ground lease rent | Resolution no. 22-1346

FUEL SYSTEM OVERVIEW



FUEL SYSTEM MASTER PLAN



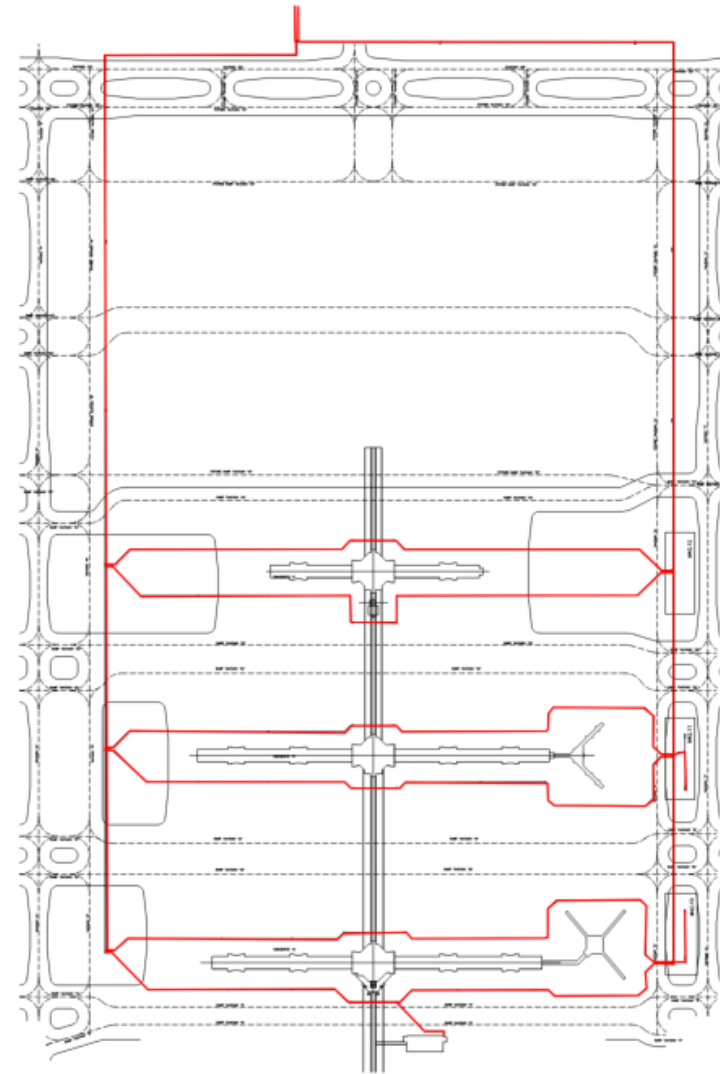
FUEL SYSTEM OVERVIEW, CONT.



- Current Capacity
 - Jet fuel storage capacity: 17M gallons, approximately 11 days
 - Jet fuel usable inventory: 15M gallons, approximately 10 days
 - 2019 daily average fuel usage was 1.38M gallons per day
 - There are no other on-airport storage facilities for jet fuel
- Needed Capacity
 - The fuel farm site was originally planned to accommodate the construction of six additional tanks
 - The fuel farm has not expanded in proportion to the airport's additional 39 gates; additional tankage will be necessary to support growth
 - On-site storage will also provide a buffer to mitigate risk during supply chain disruptions
- Estimated Cost
 - \$40-\$50M/fuel tank

FUEL DISTRIBUTION

- Hydrant distribution facility
- Remote fuel operations



SUPPLY CHAIN CHALLENGES



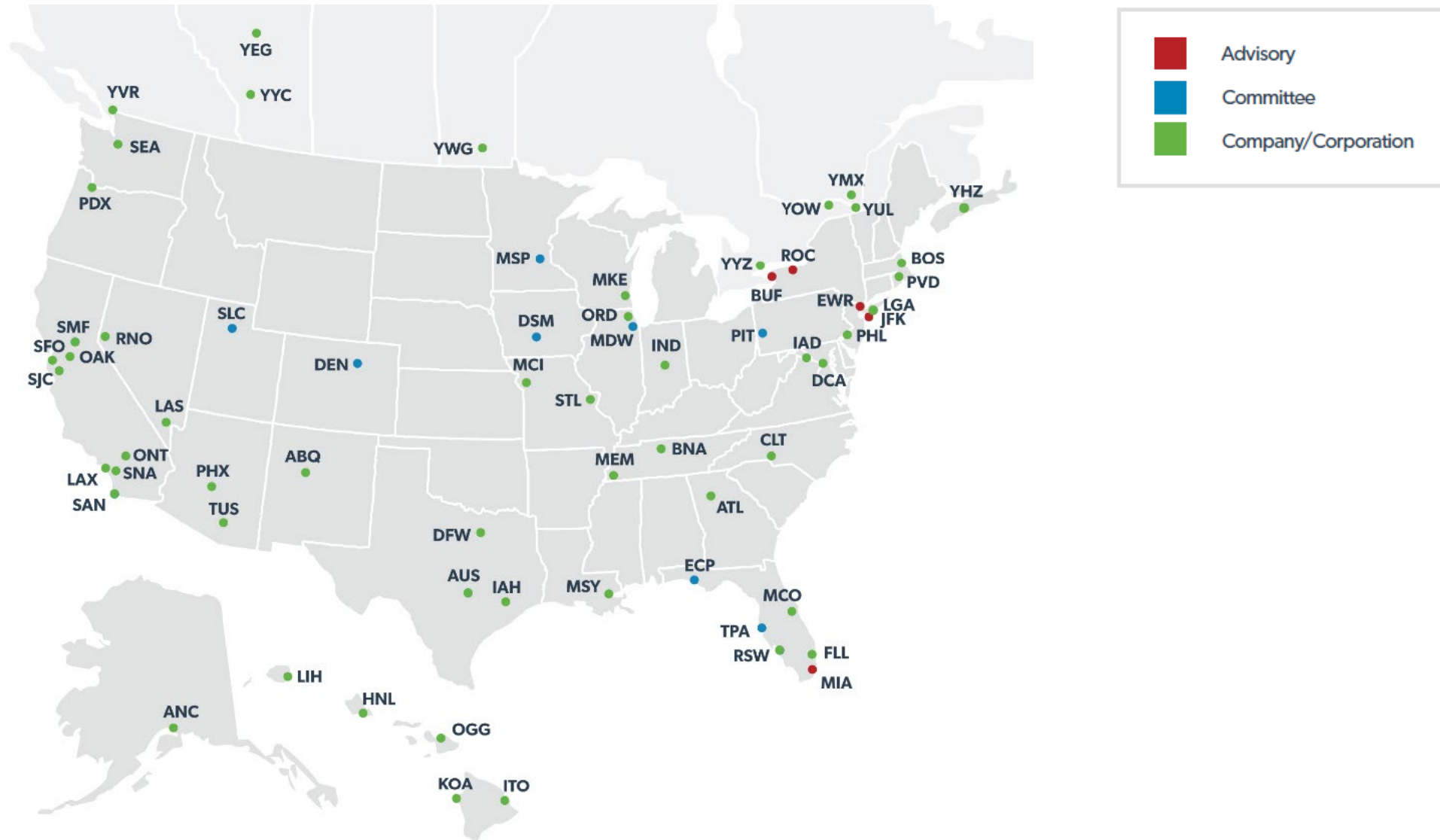
- Supply chain study was commissioned by Fuel Committee
 - Study completed December 2021
 - Focused on future demand modeling and supply chain analysis for DEN
 - Considered demand for all petroleum products in the region
- Limitations in supply chain
 - DEN Fuel Committee members have encountered constraints on access to the volumes of jet fuel required to meet airline traffic requirements at DEN
 - This is due to complex challenges regarding the flow of petroleum products into the Denver market
- Financing is necessary to invest in the infrastructure to support demands now and in the future

DEN FUEL CONSORTIUM



- DEN Fuel Consortium would be a corporation whose member airlines operate at DEN
 - Similar to 52 other “Fuel Consortiums” in North America
- DEN Fuel Consortium would lease the airport fuel system from the Denver International Airport (Authority)
 - Authority owns the fueling system, including all tanks, hydrant system, and infrastructure
 - Lease obligates DEN Fuel Consortium to operational and environmental requirements
- DEN Fuel Consortium member airlines share the cost of maintaining and operating the fuel storage and delivery system
 - Contractual obligations to fund costs, including improvements, through an Interline Agreement
 - DEN Fuel Consortium would operate on a “break-even” basis (similar to co-op or mutual benefit)
- DEN Fuel Consortium neither owns nor sells Jet A; fuel is owned by individual airlines that order from suppliers upstream and arrange for delivery to DEN
 - Each member contracts with refiners/bulk sellers and uses the pipeline system or trucking for fuel delivery
- DEN Fuel Consortium would contract with FSM (current operator) to maintain and operate (M&O) the fuel facilities
 - FSM has operated the fuel system since September 2019

FUEL CONSORTIUMS IN NORTH AMERICA



LEASE STRUCTURE BENEFITS



- Consortium structure considered industry best practice and aligns with other major airports
- Frees up capital for the airport when debt paid in full
- Allow for storage expansion to support current and future growth
- Industry experts to coordinate on Capital Improvement Plan
- Airport contract directly with the Consortium instead of the Operator
- Terms of the lease in line with industry standards
- Allows Consortium to finance projects leveraging industry expertise and processes for efficient and cost-effective execution
- Additional layer of accountability regarding supply and environmental compliance

LEASE STRUCTURE BENEFITS, CONT.



- As experienced at airports where airlines are currently using sustainable aviation fuel (SAF), the consortium structure is ideal for airlines to evaluate SAF opportunities
 - Member airlines tied into industry initiatives on SAF considerations
 - Member airlines coordinate together to achieve flights with direct SAF fueling
 - Member airlines come together to work on both the fuel supply chain and biofuel compatibility with infrastructure, focus on efforts that are best for the airport fuel system that is necessary to introduce new fuels into the market
 - Member airlines work together to ensure SAF quality to avoid adverse impacts on operations. Fuel quality standards should be done upstream of the airport, and some airports are already receiving SAF into their fuel system; there are growing quality issues as SAF delivery increases (frequent filter changes/potential shutdowns to accomplish that/OT etc.)

Q&A



APPENDIX

- Concourse A and B
 - Jet A Refueling Islands
 - GSE Fuel Islands
- Concourse C
 - GSE Fuel Island
- South Cargo
 - Jet A Refueling Islands
 - Aviation Gas Refueling Islands
 - GSE Fuel Island

