

Line 3 Pipeline Replacement Project (L3RP)

United States

Sectors: oil and gas, transport and infrastructure

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[Project website](#)

Status



About Line 3 Pipeline Replacement Project (L3RP)

Enbridge's Line 3 so-called "replacement" project is a proposal for a new pipeline that would cover more than 1,000 miles from Hardisty, Alberta, to Superior, Wisconsin, transporting an average of 760,000 barrels of crude oil from the Alberta tar sands each day, with capacity for 844,000 barrels per day. The project is estimated to cost CAD 5.3 billion, making it Enbridge's largest project to date.

Enbridge intends to abandon its existing Line 3 pipeline if it is able to complete its new Line 3, leaving the corroding pipe in the ground and a lasting legacy of contamination. The replacement Line 3 would take a brand new route. This path cuts through pristine wetlands and watersheds in northern Minnesota, passing through the headwaters of the Mississippi River to the shores of Lake Superior, through the heart of Minnesota's lake country and some of the largest and most productive wild rice beds in the world.

Construction on the Line 3 replacement is already underway on a [14-mile stretch of the pipeline](#) from the Minnesota line to Superior, Wisconsin. Construction on the Alberta and Saskatchewan portions of the pipeline [have already been completed](#).

Brief history

Enbridge filed the Line 3 Replacement Program (L3RP) regulatory application with the National Energy Board (NEB) on November 6, 2014. On April 25, 2016, the NEB decided that the replacement program was in the Canadian public interest and subsequently recommended approval of the project to the federal Governor in Council.

The Canadian federal government announced its approval of L3RP on November 29, 2016. The construction of the pipeline began in Canada in mid-2017. The anticipated in-service date for the new pipeline project is 2019, depending on the approvals the Minnesota Public Utilities Commission which is planned in mid-2018.

Since the plans of Enbridge became public several concerns have been raised around both the construction of the new Line 3 and the abandonment of the old Line 3. Environmentalist, Native American Tribes and landowners worry about devastating oil spills across important waterways, wetlands and sacred lands. Several groups have been formed or taken up the issue, including [Honor the Earth](#), [MN350.org](#) and [Friends of the Headwaters](#).

Enbridge has fought the environmental review process every step of the way, leading to a courtroom battle that ultimately resulted in the Minnesota Court of Appeals mandating a full Environmental Impact Statement (EIS). At the end of 2017, the Minnesota Public Utilities Commission (PUC) found Enbridge's EIS to be inadequate, citing several issues that required further clarity. When Enbridge argued that the inadequate EIS was sufficient for the reviewing judge to make her final decision on the project, the judge disagreed. However, the PUC ended up overturning the judge's ruling in favor of Enbridge's arguments against including a full EIS in the ultimate project decision.

Despite the fact that Minnesota has not finalized the legal, public, or environmental permitting process for Line 3, and that the state's Department of Commerce has deemed the existing Line 3 in addition to the new Line 3 unnecessary, Enbridge has already started construction on either end of the new pipeline in Wisconsin and Canada.⁹¹ A growing number of Water Protectors have used lockdowns to delay construction on the 14-mile stretch in Wisconsin and are creating additional encampments along the pipeline route, marking the beginning of a sustained direct action campaign from Indigenous groups and their allies. (source: [Banking on Climate Change 2018](#))

What must happen

Bank financing for tar sands pipelines, either through project finance or through credit facilities like those being provided to Enbridge, directly supports tar sands expansion, since these pipelines enable tar sands companies to move produce and transport much more crude oil.

Banks should avoid arranging or renewing business relationships, including corporate level finance and revolving credit, with Enbridge and its subsidiaries, until it ceases expanding tar sands operations.

Issues

Social issues

Despite being billed as a replacement, the old Line 3 will not be removed when the new Line 3 is put into service. The old pipeline that will be left abandoned crosses 300 miles of northern Minnesota, but the state authorities have **no plan** to protect landowners from the financial and ecological risks associated with the decomposition of the pipeline.

The new Line 3 will endanger many valuable sources of drinking water since the proposed route will cross areas of high susceptibility for groundwater contamination. Moreover the proposed route crosses the Mississippi River, which provides drinking water to several cities (including Minneapolis and St Paul).

Environmental issues

The creation of new pipelines facilitates the expansion of tar sands projects, since these projects require pipelines to be **financially viable**. Tar sands are **21% more carbon-intensive** than and require three times as much fresh water to extract and refine as **conventional oil**. The toxic wastewater is **stored** in storage ponds or underground wells depending on the extraction methods, risking contaminated groundwater.

The environmental issues associated with Line 3 concern both the new and the old pipeline. Critics of the plan to abandon the old pipeline, including **environmentalists and Indigenous groups**, as well as **landowners along the pipeline's route**, believe that the pipeline's removal is preferable to its abandonment. This is due to the fact that US laws on pipeline abandonment are inadequate to ensure that Enbridge will take proper responsibility for the pipeline once it is decommissioned. Abandoning the pipeline risks contamination of soil and groundwater with residual oil, lubricants, treatment chemicals, and pipeline coatings as the pipeline corrodes. There is also a risk of the pipeline becoming a water conduit, causing the unnatural drainage of wetlands and damaging their ecosystems.

The new Line 3 will cross several important ecosystems including undisturbed forest, important wetlands, some of the most delicate soils, aquifers and pristine lakes in northern Minnesota and the Great Lakes, home to one fifth of the world's fresh water. A **July 2017 Greenpeace report** noted that oil spills anywhere pose serious risks to human health and the environment, and oil spilled into bodies of water is difficult to fully clean up. Diluted bitumen transported from Canada's tar sands fields represents a particular threat to water resources along the routes of proposed pipelines. The oil spill might go unnoticed for months since detection systems are only able to detect leaks above 150.000 liters per hour and the preferred route crosses many remote areas.

Enbridge has been responsible for many oil spills in the past, including 20,082 barrels of diluted bitumen into the Kalamazoo River in 2010 - the largest inland oil spill in US history. Expanding the capacity of Line 3 only increases the risk of spills in the future.

Human rights

The old Line 3 - which will be left abandoned - runs through American Indian reservations Leech Lake and Fond du Lac. Although the proposed new Line 3 will not cross any reservations it will still jeopardize so-called **usufructuary or use-rights** between Ojibwe bands and the United States government. These use-rights include the rights to hunt, fish, gather medicinal plants, harvest and cultivate wild rice, and preserve sacred or culturally significant sites.

Among the newly proposed route over 180 archaeological sites have been identified, including burial mounds, cemeteries and sacred sites. Lake Minnewawa and Big Sandy Lake which are sacred to the Ojibwe people and used for fishing will be threatened by the new Line 3. Both the construction as well as the spills of the new Line 3 will threaten traditional foods and medicines. This also applies to the wild rice which is of economic as well as cultural importance in Minnesota. Twenty wild rice lakes are within the reach of the oil spills from the new Line 3.

Over 150 First Nations and Tribes across Canada and the U.S. have signed the **Treaty Alliance Against Tar Sands Expansion**, opposing the use of the signatories' Indigenous territories and coasts for new or expanded pipeline infrastructure projects that would facilitate the expansion of the tar sands.

Governance

Applicable norms and standards

IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement

IFC Performance Standard 7: Indigenous Peoples

Bank policies

The following bank investment policies apply to this project:

Mizuho Financial Group

Environmental Initiatives policy
Feb 15 2016 | Mizuho Financial Group

Credit Suisse

Statement on climate change

Oct 26 2015 | Credit Suisse

HSBC

Statement on Climate Change

Nov 9 2016 | HSBC

Environmental Policy

Apr 26 2017 | HSBC

Statement on Human Rights

Sep 30 2015 | HSBC

Bank of America

Environmental and Social Risk Policy Framework

Nov 27 2016 | Bank of America

Toronto-Dominion Bank (TD Bank)

Details on Environmental and Social Credit Risk Process and Prohibited Transactions

Apr 6 2017 | TD Bank Group

Deutsche Bank

Position on Climate change, energy efficiency and the challenges of the energy transition in Germany

Jun 9 2016 | Deutsche Bank

Barclays

Environmental and Social Risk Briefing Oil & Gas

Mar 27 2016 | Barclays

Wells Fargo

Human Rights Statement

Sep 8 2014 | Wells Fargo

Statement on climate change

Feb 4 2016 | Wells Fargo

Environmental and Social Risk Management

Dec 1 2015 | Wells Fargo

Indigenous Peoples Statement

Sep 14 2017 | Wells Fargo

Bank of Montreal (BMO)

Environmental policy

Apr 1 2016 | BMO

JPMorgan Chase

Human rights

May 3 2011 | JPMorgan Chase

Environmental and Social Policy Framework

Mar 31 2017 | JPMorgan Chase

Crédit Agricole

Policy statement new commitments on climate financing

Dec 7 2017 | Credit Agricole

Société Générale

Policy statement on commitments against climate change

Dec 8 2017 | Société Générale

Updates

Court rules against Enbridge Line 3

Jun 3 2019

A [Minnesota State Court of Appeals](#) ruled that the environmental assessment of Enbridge's Line 3 pipeline wasn't good enough. The ruling is a reversal of Minnesota Public Utilities Commission's decision that approved the environmental impact statement for the pipeline replacement. The appellate court found that the Commission erred when it approved the plan, and found that Enbridge's environmental impact statement lacked in specificity, specifically where it deals with oil spills in relation to Lake Superior.

Financiers

Enbridge is constructing the Line 3 pipeline using general corporate finance rather than project-specific loans. The financiers listed on this page have provided credit facilities for Enbridge, which is considered likely to directly support pipeline construction.

In October 2017, Wells Fargo led a syndicate of more than a dozen banks in renewing a credit facility of \$1.48 billion for the company. (source: [Banking on Climate Change 2018](#))

Banks

Alberta Treasury Branches

[Details ▼](#)

Debt – corporate loan

Alberta Treasury Branches does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

source: Greenpeace

[link](#)

Bank of America United States [profile](#)

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Debt – corporate loan

Bank of America does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Bank of China China [profile](#)

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Bank of China does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

source: Greenpeace

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Bank of Montreal (BMO Financial Group) Canada [profile](#)

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BMO does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Bank of Nova Scotia

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source: Greenpeace

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Barclays United Kingdom [profile](#)

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Canadian Imperial Bank of Commerce

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source: Greenpeace

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China Construction Bank China [profile](#)

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China Construction Bank does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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China Merchants Bank China [profile](#)

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China Merchants Bank does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Citigroup United States [profile](#)

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Citi does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

source: Greenpeace

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Credit Suisse Group Switzerland [profile](#)

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Crédit Agricole France [profile](#)

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Credit Agricole does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Desjardins Group Canada [profile](#)

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Deutsche Bank Germany [profile](#)

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Debt – corporate loan

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DnB NOR Norway [profile](#)

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DNB does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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HSBC United Kingdom [profile](#)

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HSBC does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Huntington National Bank

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Industrial and Commercial Bank of China (ICBC) China [profile](#)

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ICBC does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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JPMorgan Chase United States [profile](#)

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JP Morgan Chase does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Mitsubishi UFJ Trust and Banking

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Mitsubishi UFJ does not provide direct financing for the Line 3 replacement but provides revolving credit to Enbridge.

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Mizuho Japan [profile](#)

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Morgan Stanley United States [profile](#)

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National Bank of Canada

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Royal Bank of Canada Canada [profile](#)

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Royal Bank of Canada does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Société Générale France [profile](#)

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Sumitomo Mitsui Banking Corporation Japan [profile](#)

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UBS Switzerland [profile](#)

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UBS does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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United Overseas Bank Singapore [profile](#)

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United Overseas Bank does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Wells Fargo United States [profile](#)

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Debt – corporate loan

Wells Fargo does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

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Export credit agencies

Export Development Canada (EDC) Canada [profile](#)

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Debt – corporate loan

EDC does not provide direct financing for the Line 3 replacement but provides revolving credit for Enbridge.

source: Greenpeace

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Related companies

Enbridge Inc Canada