

Line 3 Pipeline Replacement Project (L3RP)

United States

Sectors: Pipeline Transportation of Crude Oil

Active

This profile is actively maintained

Send [feedback](#) on this profile

Created on: **Jun 13 2017**

Last update: **Nov 17 2020**

Contact:

climate@banktrack.org

[Project website](#)

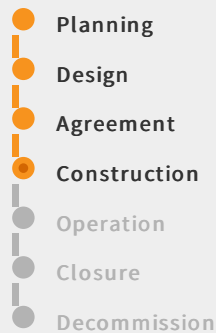
Status



Sectors Pipeline Transportation of Crude Oil

Location

Status



Website

<https://www.enbridge.com/projects-and-infrastructure/projects/line-3-replacement-program-canada>

About Line 3 Pipeline Replacement Project (L3RP)

Enbridge's Line 3 Pipeline 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](#).

Latest developments

Minnesota Pollution Control Agency approves permits for Line 3 tar sands pipeline

Nov 12 2020

Enbridge completes 12-mile North Dakota stretch of Line 3

Nov 12 2020

Why this profile?

Enbridge's new Line 3 Pipeline threatens the environment by expanding access to dirty tar sands oil, while crossing important eco-systems, including forests and wetlands in Minnesota and the Great Lakes.

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.

Impacts

Social and human rights impacts

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).

In January of 2019, [The Intercept](#) reported that “law enforcement has engaged in a coordinated effort to identify potential anti-pipeline camps and monitor individual protesters, repeatedly turning for guidance to the North Dakota officials responsible for the militarized response at Standing Rock in 2016.” Resistance to Line 3 construction has been the subject of heavy surveillance by both private security and publicly funded police forces, and collaboration with the actors responsible for the rubber bullets, tear gas, razor wire and water cannons in North Dakota is deeply troubling. The Trump Administration is backing legislation to punish pipeline protestors with [up to 20 years in jail](#).

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 of and spills from the new Line 3 will threaten traditional foods and medicines, including wild rice which is economically as well as culturally important 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.

Environmental and climate impacts

New tar sands projects require new pipelines to be [financially viable](#) - the impact of these new pipelines should, therefore, include the expansion of tar sands extraction. 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, 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](#), [Indigenous groups](#), and [other landholders](#) along the pipeline's route, believe that removing the pipeline would be better than abandoning it. 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 contaminating the soil and groundwater with residual oil, lubricants, treatment chemicals, and pipeline coatings as the pipeline corrodes. The pipeline may also become a water conduit, draining and damaging wetlands.

The new Line 3 will cross several important ecosystems including undisturbed forest, important wetlands and some of the most delicate soils, aquifers and pristine lakes in northern Minnesota and the Great Lakes, which are home to one fifth of the world's fresh water. A [July 2017 Greenpeace report](#) noted that oil spilled into bodies of water is difficult to fully clean up, posing serious risks to human health and the environment. Diluted bitumen transported from Canada's tar sands represents a particularly grave threat to water resources along the routes of proposed pipelines. Leaks

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 such disasters in the future.

Governance

Bank policies

The following bank investment policies apply to this project:

Mizuho Financial Group

Addressing climate change

Date listed represents date as accessed on website

Mar 30 2020 | Mizuho Financial group

Updated policy - Responsible investment and financing (document in Japanese)

Jun 1 2020 | Mizuho

Environmental Policy

Jul 15 2020

Overview of responsible investment and financing

May 22 2019 | Mizuho

Environmental and Social Management Policy for Financing and Investment Activity

Jun 1 2020 | Mizuho

Citi

Statement on human rights

Nov 22 2018 | Citi

Sector Standards

[Date listed represents date as accessed on website]

Mar 5 2020 | Citi

Environmental and social policy framework

Jul 31 2020 | Citi

Export Development Canada

Climate change policy

Jan 28 2019 | Export Development Canada

Human rights policy

May 1 2019 | Export Development Canada

Environmental and social risk management policy

May 1 2019 | Export Development Canada

Environmental and social review directive

May 1 2019 | Export Development Canada

Credit Suisse

Statement on human rights

Date listed represents date as accessed on website

Mar 5 2019 | Credit Suisse

Statement on sustainability

Dec 31 2018 | Credit Suisse

Statement on climate change

Oct 26 2015 | Credit Suisse

Summary of Credit Suisse's Sector Policies and Guidelines

Date listed represents date as accessed on website

Jul 15 2020 | Credit Suisse

HSBC

Environmental Policy

Apr 26 2017 | HSBC

Statement on Human Rights

Sep 30 2015 | HSBC

Statement on Climate Change

Nov 9 2016 | HSBC

Energy policy

Apr 23 2020 | HSBC

Bank of America

Environmental and social risk policy framework

Oct 23 2019 | Bank of America

Human Rights Statement

Apr 18 2019 | Bank of America

Royal Bank of Canada (RBC)

Climate change position & disclosure statement 2017

Jan 31 2018 | Royal Bank of Canada

Environmental policy

Mar 5 2019 | Royal Bank of Canada

Policy guidelines for sensitive sectors and activities

Sep 14 2020 | Royal Bank of Canada

Climate Blueprint

Nov 25 2019 | Royal Bank of Canada

Toronto-Dominion Bank (TD Bank)

Environment policy

Date listed represents date as accessed on website

Mar 4 2019 | TD Bank

Climate action plan

Nov 9 2020 | TD Bank

Deutsche Bank

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

Jun 9 2016 | Deutsche Bank

Environmental and Social Policy Framework July 2020

Jul 27 2020 | Deutsche Bank

Barclays

Environmental and Social Risk Briefing Oil & Gas

Mar 27 2016 | Barclays

Environmental risk in lending

Feb 28 2019 | Barclays

Position on climate change

Mar 30 2020 | Barclays

Sumitomo Mitsui Banking Corporation (SMBC)

Statement on human rights

Date listed represents date as accessed on website

Mar 5 2019 | Sumitomo Mitsui Financial Group

Response to climate change

Date listed represents date as accessed on website

Mar 5 2019 | Sumitomo Mitsui Financial Group

Approaches for environmental and social risks

Date listed represents date as accessed on website

Mar 5 2019 | Sumitomo Mitsui Financial Group

Revision of ESG financing policies

Apr 16 2020 | Sumitomo Mitsui Banking Corporation

Wells Fargo

Environmental and Social Risk Management Framework

Jun 30 2018 | Wells Fargo

Human Rights Statement

Date listed represents date as accessed on website

Jan 27 2020 | Wells Fargo

Climate Change Statement

Date listed represents date as accessed on website

Jan 27 2020 | Wells Fargo

Indigenous Peoples Statement

Jul 15 2020

Bank of Montreal (BMO)

Statement on human rights

Apr 30 2017 | BMO

Environmental policy

Apr 1 2016 | BMO

Statement on climate change

Dec 31 2018 | BMO

Responsible lending policies

[Date listed represents date as accessed on website]

Mar 9 2020 | BMO

Morgan Stanley

Carbon Neutral by 2022

Jan 2 2018 | Morgan Stanley

Coal and oil & gas policy statements

Mar 15 2019 | Morgan Stanley

Statement on human rights

Aug 8 2019 | Morgan Stanley

Environmental and social risk policy statement

Apr 22 2020 | Morgan Stanley

JPMorgan Chase

Environmental and social policy framework

Feb 25 2020 | JPMorgan Chase

Crédit Agricole

Climate strategy

Document in English

Jun 6 2019 | Crédit Agricole

Climate strategy

Document in French

Jun 6 2019 | Crédit Agricole

Policy statement new commitments on climate financing

Dec 7 2017 | Crédit Agricole

CSR Sector Policy - Oil & Gas

Dec 31 2017 | Crédit Agricole CIB

Société Générale

Sector policy oil and gas

May 18 2018 | Société Générale

Policy statement on commitments against climate change

Dec 8 2017 | Société Générale

Human Rights Statement

Mar 31 2019 | Société Générale

Bank of China

Corporate Social Responsibility Policy

May 3 2018 | Bank of China Hong Kong

Environmental policy

Apr 1 2019 | Bank of China Hong Kong

China Construction Bank

Green, Social and Sustainability Bond Framework

Sep 30 2018 | China Construction Bank

UBS

Climate strategy

Mar 26 2019 | UBS

Climate-related standards in the energy and utilities sectors

Page 56 of the UBS' CSR report 2019

Apr 21 2020 | UBS

Environmental and social risk policy framework

Mar 12 2020 | UBS

United Overseas Bank (UOB)

Responsible financing

Date listed represents date as accessed on website

Dec 18 2019 | UOB

Desjardins Group

Policy on climate change

Date listed represents date as accessed on website

Feb 11 2019 | Desjardins Group

DNB

Responsible investment - climate change

Nov 30 2018 | DNB

Responsible investment - human rights

Sep 30 2019 | DNB

Responsible investment - serious environmental harm

Sep 30 2019 | DNB

Group standard responsible investments

Mar 27 2019 | DNB

Group Standard for Corporate Social Responsibility in DNB Group's credit activities

Jun 13 2019 | DNB

Applicable norms and standards

IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement

IFC Performance Standard 7: Indigenous Peoples

Updates

Minnesota Pollution Control Agency approves permits for Line 3 tar sands pipeline

Nov 12 2020

On 12 November, the Minnesota Pollution Control Agency (MPCA) and the Department of Natural Resources approved a number of key permits for the Line 3 pipeline, including a water crossing permit, capped air emissions permit and National Pollutant Discharge Elimination System wastewater (NPDES) permit ([MPCA](#)). This is expected to trigger the approval of remaining federal permits by the US Army Corps of Engineers. The final remaining construction storm water permit is then expected to be approved by the MPCA within about a month as well. Construction will then likely begin immediately, even though several lawsuits against the pipeline, including one by Minnesota's own Department of Commerce, are still pending. ([mpr.org](#))

Enbridge completes 12-mile North Dakota stretch of Line 3

Nov 12 2020

Enbridge Energy officials said Wednesday that they have completed a small section of its Line 3 crude oil pipeline replacement project in North Dakota, leaving only the Minnesota stretch that has been challenged by state officials and others. ([Star Tribune](#))

Minnesota utility regulators give key approvals to Line 3 pipeline project

Feb 3 2020

The Minnesota Public Utilities Commission (PUC) voted 3 to 1 on three key approvals for the project: [a revised environmental](#) review, a certificate of need and a route permit. The PUC originally voted to approve the controversial oil pipeline project in June 2018. Calgary-based Enbridge Energy is proposing to build the new line, which would replace the current Line 3 crude oil pipeline that stretches across northern Minnesota. The new line would be built along a different route, and would have the capacity to transport about twice as much oil as the current pipeline is allowed to carry ([mprnews.org](#)).

Canadian part of Line 3 Pipeline Replacement has been constructed

Dec 31 2019

In December 2019 Enbridge announced that the construction of the CAD5.3-billion Canadian portion of the Line 3 Replacement Program is complete; the new Line 3 began commercial service in December 2019 ([Enbridge press release](#)).

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 are considered likely to directly support the pipeline construction.

In October 2017, Wells Fargo led a syndicate of more than a dozen banks in renewing a credit facility of USD1.48 billion for the company ([Banking on Climate Change 2018](#)).

In [Enbridge's 2019 annual report](#) it announced that the company "terminated certain Canadian and US credit facilities" and that it in 2019 had entered into:

- a 3-year credit facility of CAD641 million with a syndicate of Japanese banks;
- a 5-year credit facility of CAD500 million with an Asian bank.

In November 2019 four banks, Barclays, Credit Suisse, Deutsche Bank and SMBC were involved in a USD 2 billion total bond issuance for Enbridge. See below for more details.