

Trans Mountain Pipeline Expansion project (TMEP) Canada

Sectors: Pipeline Transportation of Crude Oil

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By: BankTrack

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[Project website](#)

Status



Sectors	Pipeline Transportation of Crude Oil
Location	
Status	<ul style="list-style-type: none">● Planning● Design● Agreement● Construction● Operation● Closure● Decommission
Website	https://www.transmountain.com/

About Trans Mountain Pipeline Expansion project (TMEP)

The Trans Mountain Pipeline Expansion project, an expansion of the original [Trans Mountain Pipeline](#) (built in 1951), is a 1,150 km pipeline between Strathcona County, Alberta and Burnaby, BC. in Canada. The pipeline is the only West Coast link for Western Canadian oil. The expansion (in the form of a parallel pipeline) is expected to almost triple the capacity of the system, taking an additional 590,000 barrels of crude oil from the Alberta tar sands each day to the Burnaby refinery on Vancouver Harbor. From there, the oil would be loaded onto supertankers to be shipped out across the Pacific. The projected capital costs were CAD 7.4 billion, but have skyrocketed due to delays resulting from widespread and powerful opposition.

Latest developments

Sale of Trans Mountain Pipeline (and TMEP) to Canadian government confirmed

Aug 31 2018

Trans Mountain pipeline halted after Canadian court overturns approval

Aug 30 2018

What must happen

Private sector banks should refuse any future opportunity to finance this project, or provide financial services to this company, whether under

government or private sector control.

Impacts

Social and human rights impacts

The Trans Mountain Pipeline expansion poses a grave threat to Indigenous people, as described in [this letter](#) written by several NGOs and groups of Indigenous people to 28 banks who were, at the time, involved in financing the project. The parallels with the struggle over the Dakota Access Pipeline are clear, leading to questions about whether the Trans Mountain conflict may become the “Standing Rock of the North.”

The Trans Mountain project does not have the Free, Prior and Informed Consent (FPIC) of the Indigenous people it will affect. First Nations groups that would be directly impacted by the route and port terminal are fighting the project in the courts and leading heated protests on the ground. As of July 2019, Tsleil-Waututh Nation, Squamish Nation, Ts’elxweyeqw tribes, Shxw’owhamel Nation, Coldwater Indian Band and Stk’emlupsemc te Secwepemc Nation were involved in [multiple legal challenges](#) to the pipeline’s construction. and direct action campaigns have been ongoing. The Tsleil-Waututh established a “Watch House” on their territory to monitor and resist [construction](#); Secwepemc women have established the [“Tiny House Warriors.”](#) small, mobile houses built to reoccupy Secwepemc territory and prevent pipeline construction. Detailed reports, such as [Standing Rock of the North](#) and [Assessment of the Trans Mountain Pipeline and Tanker Expansion Proposal](#) outline, in detail, crucial elements of Indigenous opposition to the project.

As noted by the [Treaty Alliance Against the Tar Sands](#), the expansion of the Canadian tar sands would lead to increased destruction and poisoning of lands, waters and air on Indigenous territory. There is widespread opposition to tar sands expansion among these groups, who are committed to fighting the pipelines which make such expansion profitable.

Environmental and climate impacts

The TMEP would draw heavily on supply from [the Alberta tar sands](#) in Canada. These bitumen deposits require a lot of effort to extract, and process before the oil can be sent to conventional refineries. Most of the current extraction process takes place in open-pit mines, with massive machinery scraping up the tarry sandstone and moving it to facilities for processing. The heavy crude is found mixed with sand, clay, and water, which must be removed, then the heavy crude must be “upgraded” to reduce viscosity and improve quality ([The Atlantic, Greenpeace](#)). This extraction process has a heavy carbon footprint and has a devastating effect on land, producing massive amounts of toxic byproducts. [Studies show](#) oil sands crude emits more greenhouse gases than conventional crude oil. Pipeline expansion enables the expansion of this toxic extraction.

The existing and proposed pipelines ship diluted bitumen through an extremely sensitive environmental region. The tankers have to pass through a very narrow channel of shallow water to reach the open sea, posing a major threat to an endangered population of orcas (the iconic [“killer whales”](#) beloved across the world, and culturally significant for the Tsleil-Waututh people).

The original Trans Mountain Pipeline has a controversial [history of oil spills](#); in the period 1961-2016 there were 81 reported incidents. A [July 2017 Greenpeace report](#) concluded 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 particular threat to water resources along the routes of proposed pipelines.

Governance

Bank policies

The following bank investment policies apply to this project:

Deutsche Bank

Human Rights Statement

Mar 24 2016 | Deutsche Bank

Mizuho Financial Group

Environmental Initiatives policy

Feb 15 2016 | Mizuho Financial Group

Human Rights policy

Apr 1 2018 | Mizuho Financial Group

Wells Fargo

Human Rights Statement

Jun 11 2020 | Wells Fargo

Bank of America

Environmental and Social Risk Policy Framework

Nov 27 2016 | Bank of America

HSBC

Statement on Human Rights

Sep 30 2015 | HSBC

Statement on Climate Change

Nov 9 2016 | HSBC

BNP Paribas

Statement on Human Rights

Dec 31 2012 | BNP Paribas

Société Générale

Environmental and social general guidelines for business engagement

Sep 1 2014 | Société Générale

Applicable norms and standards

Equator Principles

OECD Guidelines for Multinational Enterprises

UN Guiding Principles on Business and Human Rights

United Nations Declaration on the Rights of Indigenous Peoples

Updates

Sale of Trans Mountain Pipeline (and TMEP) to Canadian government confirmed

Aug 31 2018

Kinder Morgan Canada Limited (KML) [announced that KML shareholders](#) have voted to approve the sale of the Trans Mountain Pipeline system and the Trans Mountain Expansion Project (TMEP) to the Government of Canada at a special meeting of shareholders held on August 30, 2018 in Calgary, Alberta.

Trans Mountain pipeline halted after Canadian court overturns approval

Aug 30 2018

[A Canadian court](#) has overturned Ottawa's approval of the Trans Mountain Pipeline – throwing plans to nearly triple the flow of Alberta's landlocked bitumen to the west coast into limbo – in a ruling hailed by environmentalists and Indigenous groups. In a unanimous decision, the federal court of appeal said the government failed to consider the concerns of some First Nations.

Canadian government to buy Trans Mountain Pipeline project for CAD 4.5bn

May 29 2018

Canada's federal government [has announced](#) it will buy a controversial pipeline from the Alberta oil sands to the Pacific coast to ensure it gets built. The country's finance minister, Bill Morneau, said on Tuesday that Justin Trudeau's government will spend CAD 4.5bn (USD 3.45bn) to purchase Kinder Morgan's Trans Mountain pipeline.

Morneau says Canada prepared to take on liability of Trans Mountain pipeline

May 16 2018

Finance Minister Bill Morneau said Wednesday he is prepared to protect the Trans Mountain oil pipeline expansion to the west coast against financial loss. Morneau did not put a price tag on the commitment that was quickly characterized as a "blank cheque" by both an environmental group and the federal NDP leader. ([National Observer](#))

Government's plan to bail out Kinder Morgan ignores major legal risks

May 16 2018

Environmental lawyers expressed concern over this morning's announcement about the federal government's plans to provide financial support for the Kinder Morgan Trans Mountain pipeline and tanker project. The project faces significant legal risks from ongoing court challenges that could derail it completely. ([West Coast Environmental Law](#))

Kinder Morgan halts most work on Trans Mountain Pipeline

Apr 9 2018

Kinder Morgan's Chairman Steve Kean announced he would scrap plans to nearly triple the capacity of the Trans Mountain pipeline, which takes crude from Alberta's oil sands to a facility in the Pacific province of British Columbia, unless the various legal challenges could be resolved by May 31 ([Reuters](#)).

Report on the Trans Mountain Pipeline Expansion project reveals misleading projections of Kinder Morgan

Oct 16 2017

[A report](#) published by the Indigenous Network on Economies and Trade has laid out the flawed valuation that Kinder Morgan Canada has projected regarding the Kinder Morgan Trans Mountain Expansion Project (TMEP). The company was named to have failed on multiple bases in crucial areas to account for the lack of political, legal, and proprietary certainty surrounding the pipeline.

Trans Mountain backer Desjardins suspends lending for pipelines over concerns for environment

Jul 10 2017

Canadian lender Desjardins is considering no longer funding energy pipelines, a spokesman said on Saturday, citing concerns about the impact such projects may have on the environment. Desjardins, the largest association of credit unions in North America, on Friday temporarily suspended lending for such projects and may make the decision permanent, spokesman Jacques Bouchard told Reuters by telephone (source [Financial Post](#)).

Dutch bank ING the latest to reject financing of Kinder Morgan pipeline

Jun 28 2017

[Dutch bank ING has publicly stated](#) that it will not finance oil pipeline projects from the Canadian tar sands, including the Kinder Morgan Trans Mountain Expansion, Keystone XL, Energy East, and Line 3 Expansion pipelines. The move comes as a response to [a letter](#) sent by 20 Indigenous and environmental groups asking the bank to refrain from financing Kinder Morgan's Trans Mountain Expansion pipeline. The letter highlighted the proposed pipeline's detrimental impact on the climate and its violations of Indigenous rights.

Kinder Morgan Canada raises CAD 5.5 billion as Trans Mountain faces block

Jun 16 2017

Kinder Morgan Canada Ltd has raised CAD 5.5 billion (USD 4.16 billion) for its Trans Mountain Pipeline Expansion Project and could have raised even more, the company said on Friday, despite pressure on banks to back away from the project. Energy infrastructure projects have faced opposition from environmental groups and aboriginal communities whose land they touch. Opposition to Trans Mountain is set to mount after the effective rise of an unfriendly government last month in Canada's British Columbia province that the pipeline passes (source [Reuters](#)).

28 major banks warned not to finance Trans Mountain Pipeline expansion

Jun 12 2017

Over 20 Indigenous and environmental organizations delivered [an open letter to 28 major banks](#), calling on them to back away from funding the Trans Mountain pipeline expansion project (TMEP). The warning letter urges banks to avoid the reputational and financial risk of supporting this destructive project, which is incompatible with realizing the goals of the Paris Climate Agreement and respecting human rights, especially those detailed in the U.N. Declaration on the Rights of Indigenous Peoples (source [Advnf.com](#)).

Trans Mountain Expansion project granted environmental assessment approval

Jan 11 2017

Environment Minister Mary Polak and Natural Gas Development Minister Rich Coleman have issued an environmental assessment certificate to Trans Mountain Pipeline ULC for the B.C. portion of the Trans Mountain Expansion project, which is an interprovincial pipeline approximately 987 kilometres long between Edmonton, Alberta and Burnaby, British Columbia (source [BC Gov News](#)).

Project approved by the Government of Canada

Nov 30 2016

On November 29, 2016, the Government of Canada granted approval for the Trans Mountain Expansion Project. The expansion concerns the existing 1,150-kilometre pipeline between Strathcona County (near Edmonton), Alberta and Burnaby, BC. The expansion will create a twinned pipeline increasing the nominal capacity of the system from 300,000 barrels per day to 890,000 barrels per day (source [Trans Mountain](#)).

Financiers

In April 2017, Kinder Morgan [filed for an IPO](#) to finance the CAD 7.4 billion Trans Mountain Expansion Project. [The IPO closed on May 31st](#), raising CAD 1.75 billion. The company then established [a CAD 5.5 billion credit facility](#), of which CAD 5 billion is specifically for the costs of the Trans Mountain Pipeline Expansion, making the credit facility effectively a project related corporate loan.

A total of 28 banks have been involved in financing Kinder Morgan through corporate loans and underwriting. TD Bank and RBC are leading finance for the pipeline - the banks were the main underwriters of the credit facility, and also the joint bookrunners of the IPO, via TD Securities and RBC Capital Markets. More details on this is provided below.

Related companies

Kinder Morgan United States [show profile](#)

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