

Pipeline setback for Enbridge doesn't deter tar sands/natural gas rush in British Columbia

Monday 16 July 2012, by [ANNIS Roger](#), [OLIVE David](#) (Date first published: 14 July 2012).

Contents

- [“Sustainable” tar sands?](#)
- [Natural gas-the new fossil](#)
- [Appendix: Pipeline pipe dreams](#)

A four-page report by the U.S. National Transportation Safety Board into the disastrous pipeline break by Enbridge Corporation in Michigan last year is probably a final nail in the coffin of the company's proposed 'Northern Gateway' tar sands bitumen pipeline across northern British Columbia to an export terminal in Kitimat [1].

The NSTB concurred with investigators' findings that the Canadian pipeline builder knew for years about cracks that ruptured in July 2010 and caused more than three million litres (800,000 gallons) of tar sands oil to spill into the Kalamazoo River in Michigan. The cleanup has cost about \$800 million, and counting. Several dozen lawsuits against the company have been launched.

In releasing the report, on July 10, the NSTB had harsh words for the company, which claims to have an exemplary safety record. "Learning about Enbridge's poor handling of the rupture, you can't help but think of the Keystone Kops," said Deborah Hersman, chair of the NTSB. The report says pipeline operators took 17 hours to shut down the pipeline after the break was first reported.

But any celebration of the possible demise of Northern Gateway should be tempered by the fact that an Enbridge rival, TransCanada Corporation, is well on the road to winning approval for an even bigger tar sands prize-the 'Keystone XL' pipeline that would deliver tar sands goo to refineries in Texas. That proposal is bogged down in a dispute with U.S. regulatory officials over the precise routing of the line. But the line continues to be built as its contested sections are discussed and resolved.

There is stiff opposition to Keystone XL in Canada and the U.S. But can it prevail over the fossil fuel industry and its paid hirelings in the U.S. and Canadian governments?

“Sustainable” tar sands?

A recent article in the daily *Vancouver Sun* explains some of the political fallout in British Columbia of the likely collapse of the Northern Gateway pipeline [2]. The trade-union based New Democratic Party is leading polls in the province, both federally and in anticipation of a provincial election next year. It has opposed the pipeline since it was first announced several years ago and is unlikely to suffer from its demise.

But of note in the NDP stance is the absence of opposition to the Alberta tar sands behemoth and the grave threat to the planet's climate that it represents. "Of course" we should be promoting the sale and further development of tar sands product, said party leader Tom Mulcair recently in Calgary [3].

Mulcair has been publicly quibbling with the tar sands industry because he wants to see it operate on a more "sustainable" basis. He wants to slow the frantic pace of production and expansion in the tar sands patch. For this, he has been criticized by the industry and its hangers-on, but the non-dinosaurs in the industry realize that Mulcair's views should be heard and discussed.

The NDP position is mirrored by the Green Party. It wants to see a "moratorium" on tar sands expansion. Following the halt to a section of the Keystone XL line by the U.S. government last January (a section running through Nebraska), party leader Elizabeth May declared in a party statement, "We should now pause and re-think shipping our unprocessed crude to either the U.S. or China. We can refine that oil here and use it domestically or export the finished product, creating jobs in the process and ensuring environmental controls."

"It is critical to freeze any new growth of the oil sands (note: not "tar" sands), allowing value-added processing." [4]

The statement said the party, "is advocating increased environmental responsibility of oil sands developers and placing a moratorium on further oil sands development (i.e. increases in annual production). Slowing the over-heated economy will allow refineries to be built in Alberta."

The Green position favoring tar sands refineries is a nod to the long-held position of the Communications, Energy and Paperworkers Union, one of Canada's largest industrial unions. (It is currently engaged in merger talks with the Canadian Autoworkers union.)

For both parties, the idea of shutting down the tar sands is anathema, for they are wedded to the capitalist system as the only possible basis to run society. The alternatives to a society of expanding fossil fuel consumption must necessarily be radical and anti-capitalist in nature if they are to have any chance of success.

Natural gas-the new fossil fuel frontier

The failure of the environmental policies of the NDP and Green Party is underlined by their failure to speak out against plans for a massive expansion of natural gas extraction, including fracking, in Alberta and northeast British Columbia. Industry consortiums are applying for construction of gas pipelines across northern BC and the construction of at least three natural gas liquefaction complexes and export terminals in Kitimat, on the northern BC coast.

The BC NDP supports the industry's plans. "We've been fracking in B.C. for decades and we do it fairly well. I've been to a number of frack sites, and I'm comfortable with the technology," BC NDP Energy Critic John Horgan told the *Vancouver Sun's* Vaughn Palmer last month [5].

Federal Green leader Elizabeth May is apparently silent. She and her party oppose gas fracking in BC but have not spoken out on the proposed pipeline-liquefaction-export labyrinth that fracking and more 'conventional' gas extraction will feed.

Natural gas is purported to be a less environmentally harmful fossil fuel by those who earn money from its extraction and sale. But this is a myth, long established by scientific study. This is once again highlighted, rather politely in this case, by a new study entitled *Greenwashing Gas* [6]. A team

of researchers at the University of Victoria in BC have published the paper in the peer-reviewed journal *Energy Policy*.

They conclude there is much uncertainty about the level of greenhouse gases emitted from the “production” (ie fracking) of shale gas and its transformation into liquefied natural gas. Emissions could be only slightly higher than those of conventional natural gas, or as high as those from coal. “Instead of applying labels such as ‘climate friendly’ we should be asking, what types of natural gas, under what conditions, can contribute to a more sustainable energy future?” asks Dr. Karena Shaw of the School of Environmental Studies at the university.

The issue of comparative emissions of natural gas fracking is only one part of the story of the hallucinatory plans for natural gas production and export in northern BC. The annual amount of energy input required to operate the proposed liquefaction plants in Kitimat is roughly equal to half the present production of energy in the province and five times the present electrical consumption of the region of Vancouver.

British Columbia already imports electricity each year from the United States at peak demand moments, notwithstanding its very substantial hydroelectricity resources. So where will it get the huge amounts of energy to liquify natural gas? One option is to dam more rivers. Coincidentally, a new, mega-dam, ‘Site C’, has been proposed for some time along the Peace River. But even that would not suffice. So an additional option is none other than to building natural gas-fired power plants.

The timing of the ‘Greenwashing Gas’ paper is interesting because it comes just one month after a declaration by BC Premier Christy Clark that, lo and behold, the burning of natural gas will henceforth be declared a “clean” source of energy if it is used to liquefy natural gas [\[7\]](#).

Gas was rightly declared a dirty fuel by the vapid and deceptive environmental policies of Clark’s Liberal Party predecessor, Gordon Campbell. His government went so far as to close down a gas-burning power plant located in the port of Vancouver. So Clark’s policy departure is highly symbolic. But it’s also consistent with the Liberals’ environmental policy because that has largely consisted of deception, notwithstanding the award that many of Canada’s largest environmental groups presented to Campbell at the UN environmental conference in Copenhagen in 2009 [\[8\]](#). (The award was based largely on his introduction of a ‘carbon tax’ in 2008—from which the oil and gas extraction industries were exempted!)

The NDP’s Horgan says there should be “public consultation” before the Premier’s pro-gas, policy change is confirmed.

Billions of dollars of quick, easy money are at stake in the natural gas plans. Meanwhile, the tar sands pipeline story is far from over in the province. Kinder Morgan Inc., the fourth largest energy company in North America, wants to triple the capacity of its existing tar sands pipeline, Trans Mountain, that already brings 300,000 barrels of bitumen crude daily to Vancouver’s harbour for export.

Roger Annis, July 14, 2012

Appendix: Pipeline pipe dreams

Someone needs to save Canada's two largest pipeline operators from themselves. Enbridge Inc. and TransCanada Corp., both based in Canada's greatest city, as Stephen Harper recently labelled his adopted Calgary hometown, have been doing giant work giving this country a black eye.

And they may have driven a stake through their plans for two pipeline megaprojects — combined cost, \$13 billion-plus. One of them is to span the length of the U.S. to deliver Athabasca crude to refineries on the Texas Gulf Coast (TransCanada's Keystone XL). The other is to navigate the mountain ranges of B.C. and Alberta to convey Athabasca crude to Asian markets (Enbridge's Northern Gateway) as an alternative to a U.S. market that now takes practically all of Canada's oil exports.

Even before this week's report by the U.S. National Transportation Safety Board (NTSB) excoriating Enbridge over its reckless disregard and ineptitude with its massive leak in Michigan in 2010, controversy had dogged these two planned projects since their inception.

Then came Tuesday's widely reported NTSB findings on the rupture of an Enbridge pipeline that spilled about three million litres of oil in one of the most heavily populated U.S. states, in the Kalamazoo River some 70 kilometres west of Detroit.

The NTSB found that Enbridge knew about the roughly 15,000 defects in Line 6B some five years before the spill and excavated to inspect just 900 of them, obviously not including the corrosion and cracking that was under way on 6B near the Kalamazoo River.

When 6B ruptured, Enbridge controlroom personnel in Alberta, Chernobylstyle, mistook repeated alarms of a pipe break for a drop in pressure. Accordingly, they twice pumped massive additional crude through the pipeline when shutting it down was called for.

Seventeen hours passed before Enbridge realized it had a calamitous pipe break on its hands. The extra pumping accounted for 81 per cent of the Canadian crude spilled into Michigan waterways, causing an estimated \$765 million in damages in what the U.S. government calls the biggest inland oil spill in Midwest history.

Deborah Hersman, NTSB chair, said "When we were examining Enbridge's poor handling to their response to this rupture, you can't help but think about the Keystone Kops."

The NTSB didn't spare complaisant U.S. regulators from its wrath. They'd grown too cosy with Enbridge, taking its reassurances as gospel. That's an economy-wide phenomenon known as "regulatory capture."

We have that curse to thank for the regulator-abetted Deepwater Horizon catastrophe in 2010 (conveniently, for Enbridge, obscuring its own disaster that year in Michigan), and the Wall Street explosion that tipped the world into the Great Recession.

Post-NTSB report, a consortium of 50 Alberta groups already has sprung up this week to petition Alison Redford, the Tory Alberta premier, to launch an independent inquiry into pipeline safety in Alberta. These farmers, landowners, First Nations and environmentalists have a sense of urgency the province lacks. Redford is open to such an inquiry with recommendations to go into effect next summer. But her constituents want answers now.

B.C.'s Liberal premier, Christy Clark, says if the proposed Northern Gateway is to be run by

Enbridge's standards in Michigan, Enbridge can "forget it" in seeking approval of a pipeline from Alberta to a Pacific Coast shipping terminal at Kitimat.

Adrian Dix, B.C.'s NDP leader, whose party leads Clark's by high double digits ahead of next year's B.C. general election, vows that as premier he would try to stop Northern Gateway "with everything we had."

Thomas Mulcair, who leads Harper in the polls, said the "conclusive report by the Americans, I think, should be the final nail in that coffin," meaning Northern Gateway. "The danger for that kind of raw bitumen flowing along the coast is just beyond belief." Mulcair didn't mention the Exxon Valdez, or need to.

Bitumen crude is indeed different from the conventional variety. The goo has to be diluted with toxic chemicals to make it viscous enough to flow through a pipeline. Those toxins have caused reported health problems among scores of Michiganders. It's also studded with quartz sand and other corrosive materials that effectively sandblast the inner lining of steel pipelines.

As far as I can tell, the dwindling supporters of Keystone XL and Northern Gateway include Harper. The PM has attacked some pipeline opponents as a "terrorist threat."

Mitt Romney's aboard. Approving Keystone XL is point one in the GOP presidential nominee's five-point plan for restoring lost jobs. (In fact, Keystone XL would create enough work to slash America's jobless rate by less than 0.0005 per cent.)

And there's the credulous Cal Davis, Alberta's minister of international and intergovernmental relations. The day after the NTSB report, Davis allowed that there might be some "learnings that we can garner from what's transpired" in Michigan, but no reason to scrap Northern Gateway.

You have to wonder how many "learnings" this industry needs. In 2006, BP PLC had to replace huge portions of its long-neglected network of Prudhoe Bay pipelines that had spilled millions of gallons of crude. Which taught BP nothing, apparently, about its unfounded self-confidence in matters of safety as it reassured the U.S. Congress in 2008 that a doomed-to-fail blowout preventer untested at the unprecedented depth of 1,524 metres below its Deepwater Horizon was infallible.

The first phase of TransCanada's Keystone pipeline has leaked 14 times in just two years in operation. The firm also suffered an explosion this month at its Bison natural gas pipeline in Wyoming, a new line open for all of six months. When your newest, presumably state-of-the-art assets are deficient, that's hardly a public-confidence builder.

Enbridge's records show 804 pipeline spills on its network in the 11 years beginning in 1999. CEO Pat Daniel says Enbridge's lessons from Michigan are considerable. Let's hope some day they actually kick in. Last month, a broken pumping station on an Enbridge Athabasca pipeline in Northern Alberta spilled about 230,000 litres of heavy crude. Two other firms also had major spills in Wildrose Country this summer, prompting that safety petition by concerned Albertans.

Canada's two huge pipeline operators, with a combined 124 years' experience, should be Canadian champions of best practices worldwide. Then again, on the facts, it's tough to dispute NTSB Managing Director David Mayer's assessment of "pervasive organizational failures at Enbridge." Realistically, how can one make a case for Enbridge operating a safe, 1,777-km pipeline across B.C. and Alberta mountain ranges — an engineering challenge for the ages — when it can't manage to keep its oil to itself in the gently rolling hills of southwest Michigan?

David Olive, *Toronto Star* business columnist, July 14, 2012

P.S.

*

<http://www.rogerannis.com/pipeline-setback-for-enbridge-doesnt-deter-tar-sands-natural-gas-rush-in-british-columbia/>

Footnotes

[1] <http://www.cbc.ca/news/world/story/2012/07/10/enbridge-oil-spill-michigan.html>

[2] <http://www.vancouversun.com/news/Thomas+Mulclair+uses+trip+attack+Enbridge+pipeline+project/6919072/story.html>

[3] <http://www.vancouversun.com/business/Leader+Mulclair+says+oilsands+access+should+opened+with+pipeline/6925102/story.html>

[4] <http://www.greenparty.ca/media-release/2012-01-19/keystone-cancellation-boon-canada>

[5] <http://www.vancouversun.com/technology/Horgan+deems+greener+future/6780093/story.html>

[6] <http://www.sciencedirect.com/science/article/pii/S0301421512003102>

[7] <http://www.energyboom.com/policy/bc-premier-clark-redefines-natural-gas-clean-energy-serve-political-interests>

[8] <http://thetyee.ca/Blogs/TheHook/Environment/2009/12/16/TaxPraised/>