



## The State of Canada's 4 Major Pipeline Proposals

### Description

As oil prices continue to languish, Canada's energy producers are grappling with yet another reality: pipelines projects are in a state of limbo. We take a closer look at each of them below.

#### Northern Gateway

**Enbridge Inc.'s** ([TSX:ENB](#))([NYSE:ENB](#)) Northern Gateway pipeline was supposed to transport 525,000 barrels of bitumen from Alberta's oil sands to Kitimat, British Columbia. This would have opened up new markets for Canada's oil, lessening the dependence on the United States.

But despite winning conditional approval last year from the National Energy Board (NEB), the Northern Gateway is dead. There is far too much opposition from First Nations communities and the pipeline is also opposed by the B.C. and Alberta governments. New prime minister Justin Trudeau is also doing his best to kill the project through a tanker ban.

If that wasn't enough, a B.C. court has just declared the project's federal environmental assessment certificate invalid. The news received little attention; most people regard the development as just another nail in the coffin.

#### Trans Mountain expansion

Pipeline operator **Kinder Morgan Inc.** ([NYSE:KMI](#)) is looking to triple the capacity of its Trans Mountain pipeline, a move that would add 590,000 barrels per day of capacity to the West Coast.

Kinder Morgan filed its application for the project in late 2013 and has faced two delays already. It will likely face a third as Mr. Trudeau is set to announce changes to the NEB review process. It could have been worse. It looks like Kinder Morgan won't have to start over entirely; it will only have to meet increased requirements.

But the project ran into another hurdle this month when the B.C. government announced its opposition to the project. And the recent court ruling against Northern Gateway could have implications, too. This is far from over.

## Energy East

**TransCanada Corporation's** ([TSX:TRP](#))([NYSE:TRP](#)) Energy East pipeline will carry 1.1 million barrels of crude per day from Alberta and Saskatchewan to refineries in eastern Canada.

Like Trans Mountain, Energy East is currently under NEB review and will thus be influenced by Mr. Trudeau's modifications to the process. Also like Trans Mountain, Energy East has drawn some recent political opposition. This time it came from a group of mayors in Quebec, including the mayor of Montreal. They claim that the pipeline offers few benefits to the province, and that the environmental risks remain far too great.

Fortunately for TransCanada, it is the federal government that has the final say. But if these mayors are able to shift public opinion in their favour, then approval will certainly be less likely.

## Keystone XL

As we all know, TransCanada's Keystone XL pipeline proposal would have transported crude across the U.S. border, but it was rejected by Barack Obama. TransCanada has since filed a lawsuit, although that process will take many years. And even if the company emerges victorious, it will be no consolation for Canada's oil producers.

At this point, there's only one way Keystone moves forward: a Republican needs to win the presidential election. The pipeline won't see the light of day until then.

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1. Editor's Choice

## TICKERS GLOBAL

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2. NYSE:KMI (Kinder Morgan Inc.)
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