



2022 October 14

I am pleased to provide the Government of Canada's comments as part of the public comment process conducted by the U.S. Army Corps of Engineers (USACE), Detroit District, to seek input on the scope of the Environmental Impact Statement (EIS) for Enbridge's permit application for the Great Lakes Tunnel Project (file number LRE-2010-00463-56-A19) in compliance with the *National Environmental Policy Act* (NEPA). The comments herein supplement the Government of Canada's submission to the USACE, Detroit District, in December 2020, in which Canada expressed support for the tunnel project.

Against the backdrop of Russia's unprovoked invasion of Ukraine, the Canada-U.S. energy relationship has never been more critical to continental and global security. It is clear that energy affordability and security cannot be taken for granted. As we collectively address the dual crises of climate change and energy security, Canada is by far the United States' most important and reliable source for energy imports in the world. Line 5 is vitally needed infrastructure not only for Canada, but also for Michigan and the entire Great Lakes region today and into the future. Therefore, the Government of Canada supports the proposed Great Lakes Tunnel Project and encourages USACE to pursue an efficient and thorough process that takes into account the critical nature of Line 5.

### **Integrated Infrastructure and North American Energy Security**

Russia's unprovoked invasion of Ukraine has highlighted the risks countries dependent on energy imports face if they rely on geopolitically unreliable suppliers to satisfy energy demand. Fortunately, Canada and the U.S. share an established cross-border network of more than 70 oil and gas pipelines and 35 electricity transmission lines. In 2021, Canada supplied 61 per cent of the U.S.'s daily crude oil imports, representing over 3.8 million barrels per day or 22 per cent of U.S. refinery crude oil intake. This supply of secure, affordable energy from a reliable ally is fundamental to North American energy independence and security. When constructed, the Line 5 tunnel project will strengthen our integrated energy and supply chain network and the North American economy.

### **Essential Supply and the Line 5 Network**

As the Government of Canada indicated in its December 2020 submission to the USACE, refineries in Canada and the U.S. rely on crude oil delivered by Line 5. In Detroit, Marathon Oil's refinery receives 28 per cent of its feedstock directly from Line 5 to produce gasoline, diesel and jet fuel that are essential to everyday transportation. In Toledo, Ohio and Warren, Pennsylvania, three refineries rely on Line 5 for their feedstock supply and have publicly expressed concerns about the severe impacts to their operations

of a Line 5 shutdown. The energy supply chain infrastructure in the Midwest is interrelated and each piece of infrastructure is essential. The vital role of this supply chain was reinforced when, on August 27, 2022, the Governor of Michigan found it necessary to issue an Executive Order to ensure continued access to an adequate supply of motor fuels after an outage at a different Midwest refinery.

Widespread disruptions across the manufacturing and energy supply chains, and elevated prices for fuels underscore the importance of secure and affordable access to energy. Shipments of crude oil from Line 5 to the Sarnia Petrochemical and Refining Complex help moderate prices for consumers in the Great Lakes region and ensure a cost-effective supply of gasoline, diesel, and jet fuel, as well as petrochemical products such as plastics and isopropyl alcohol for hand sanitizers and hospital disinfectants. Line 5 is also an important conduit for Michigan's homegrown upstream oil and gas industry, carrying up to 14,000 b/d of light crude oil extracted from local wells.

### **Propane and Natural Gas Liquids Supply**

In addition to crude oil, Enbridge's Line 5 is uniquely configured to carry natural gas liquids (NGL) essential for the production of propane and other petrochemical products. Line 5 directly, or indirectly, supplies propane to northern Wisconsin, northern Minnesota, Michigan, Ontario, Quebec, certain Atlantic states and provinces, as well as other states. Feeding propane production facilities in Superior, WI, Rapid River, MI, and Sarnia, ON, Line 5 is essential for the regional propane supply chain.

NGLs from Line 5 are processed at fractionators in Superior, Wisconsin, and Rapid River, Michigan, and underpin the supply of propane for Wisconsin, Michigan and the entire region. Those facilities lack alternative supply sources, and without access to Line 5 their ownership has indicated that they would be stranded, leaving residents with costlier and less reliable supply of this vital fuel.

In Sarnia, Ontario, the Sarnia NGL facility is an important supplier to regional markets, providing essential feedstock to the Sarnia petrochemical and refining complex, which in turn supports local heating and transportation markets as well as broader continental markets.

Line 5 delivers feedstock used to produce 65 per cent of the propane consumed in Michigan's Upper Peninsula, and 55 per cent of Michigan's statewide propane needs. Over 200 million gallons of propane and butane processed in Sarnia are delivered to Michigan every year, which is used to heat homes and run businesses. Eighty-five per cent of homes in northern Michigan are heated by propane deliveries enabled by Line 5. Without Line 5, regional propane production would be severely impacted, creating a longer and more vulnerable supply chain reliant on rail shipments from more distant production locations. This would impact both Wisconsin and Michigan, through which Line 5 travels.

In examining propane supply for Michigan, the Upper Peninsula Energy Task Force Committee noted that Michigan leads the U.S. in residential propane consumption. There is a lack of regional infrastructure to move natural gas liquids, and Michigan's Upper Peninsula lacks propane storage infrastructure, therefore, residents pay higher prices for propane. Once constructed, the Great Lakes Tunnel Project would enhance the continued operation of the current supply chain that supports this region, providing cost effective and reliable access to propane for the many residential and business consumers in Michigan, Wisconsin, Ontario, Quebec, and other areas. Once again, the critical nature of this supply chain was reinforced when, on February 20, 2021, Michigan's Governor issued an Executive Order to ensure adequate propane

distribution in Michigan given the strain cold temperatures placed on the supply chain that year. Similarly, in 2019, the U.S. Federal Energy Regulatory Commission issued an order to allow for emergency transportation of propane to the U.S. Midwest in response to supply constraints. These instances are indicative of the vulnerability of supply chains in the region, which would be exacerbated by a Line 5 shutdown.

### **Environmental Considerations and Joint Stewardship of the Great Lakes**

Canada and the United States have a long history of working collaboratively and investing significant resources in restoring and protecting the Great Lakes. With nearly one-third of U.S. and Canadian economic activity centred in the Great Lakes and St. Lawrence region, a significant number of binational mechanisms at the federal, provincial and municipal levels work together to further environmental protection and economic development in the Great Lakes region.

Canada's 2020 submission highlighted, as evidence of our ongoing commitment to the environmental protection of the Great Lakes, the Great Lakes Water Quality Agreement of 1972, an important framework for ensuring binational consultation and cooperative action to restore, protect and enhance the water quality and ecological health of the Great Lakes. Our submission also highlighted the Great Lakes Protection Initiative program, announced in 2017, which targets key areas of binational importance, such as preventing toxic and nuisance algae, reducing harmful chemicals, and improving the health of coastal wetlands. The Government of Canada supports the Great Lakes Tunnel Project as a way to further enhance the protection of the Great Lakes.

### **Ongoing Efforts to Transform Canada's Petroleum Sector**

In addition to setting a new target of reducing GHG emissions by 40 to 45 per cent below 2005 levels by 2030, Canada is one of only two major oil-producing nations that has implemented national carbon pricing and actively pursuing aspirations for a net zero oil and gas sector by 2050, recently enshrined into legislation. Canada has committed to the Global Methane Pledge and announced an ambitious sectoral target to reduce methane emissions from oil and gas by at least 75 per cent below 2012 levels by 2030. Canada has also announced it would introduce a cap on oil and gas GHG emissions.

Line 5 minimizes the use of other transportation methods for petroleum and refined products such as rail, marine and truck, and provides the lowest GHG transportation option for these products.

### **Pipeline Safety, Integrity and Regulatory Oversight**

Canada, like the U.S., requires pipelines to meet stringent and comprehensive safety and environmental standards that govern the construction and operation. Placing Line 5 within an underground tunnel, deep beneath the Straits of Mackinac, would therefore make an already safe pipeline safer. According to Enbridge's construction design, the tunnel will be lined with thick, reinforced concrete, further protecting the aquatic environment, and minimizing the likelihood of environmental impacts of a spill.

## **Indigenous Engagement and Participation**

The energy industry employs thousands of Indigenous peoples directly, often providing significant economic benefits. For the Great Lakes Tunnel Project, the construction contractor has committed to ensuring Indigenous Peoples comprise at least 10 per cent of the total operating engineering and labor staff-hours worked. This includes contracting with Indigenous-owned businesses and employing Michigan Indigenous members.

The U.S. remains Canada's closest friend and ally, with whom we work day-in and day-out in every conceivable field, to the benefit of both our countries. The Great Lakes Tunnel Project would improve the integrity of a critical piece of supply infrastructure that has supported the everyday lives and economic prosperity on both sides of the border for decades.

The Government of Canada appreciates the opportunity to provide comments to the the U.S. Army Corps of Engineers, Detroit District, about Enbridge's Line 5 Great Lakes Tunnel Project during the EIS scoping process.

Sincerely,

A handwritten signature in blue ink that reads "Colin Bird". The signature is written in a cursive, flowing style.

Colin Bird  
Consul General of Canada in Detroit