HOUSE RESEARCH

- Bill Summary :

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Subject: Pipeline certificate of need/route permit

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House File 3759 terminates the ongoing state process begun in 2015 to determine whether to allow construction of a 340-mile pipeline carrying Canadian crude oil across the northern portion of the state, and to fix the pipeline's route. The bill would allow Enbridge Energy, a Canadian company, to construct the pipeline "at its sole discretion" along the route first proposed in its application.

The new pipeline would replace Enbridge's Line 3, originally built in 1968 with a capacity to ship 760,000 barrels per day. Due to age and safety issues, it has operated at about half that capacity for several years. The proposed route follows Line 3 from the state's western border to Enbridge's terminal at Clearbrook, Minnesota, then heads south to Park Rapids, turning east to reconnect with the existing Line 3 at Carlton, near Minnesota's eastern border, before continuing to Enbridge's terminal at Superior, Wisconsin. (See map on page 2.)

Minnesota's decision-making process for pipelines consists of two parts. First, the project's environmental impacts are analyzed by the Department of Commerce. That document was completed in August 2017. After the Minnesota Public Utilities Commission (PUC), the ultimate decision-maker on the project, was supplied additional environmental information it had requested, the commission declared the Environmental Impact Statement to be adequate on March 14 this year.

The second issue under examination is whether there is a justified need for the project. Enbridge, state agencies, and other intervening parties filed extensive testimony on this point with a state Administrative Law Judge in the fall of 2017, followed by more than two weeks of cross-examination of witnesses. At the same time, 16 public hearings were held in eight Minnesota counties. The Administrative Law Judge's recommendations regarding need and the pipeline route, based on this evidence, are scheduled to be delivered to the PUC on April 23; the commission will make final decisions this summer.

