Transportation of Crude Oil in the Great Lakes - St. Lawrence River region

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EXECUTIVE DIRECTOR

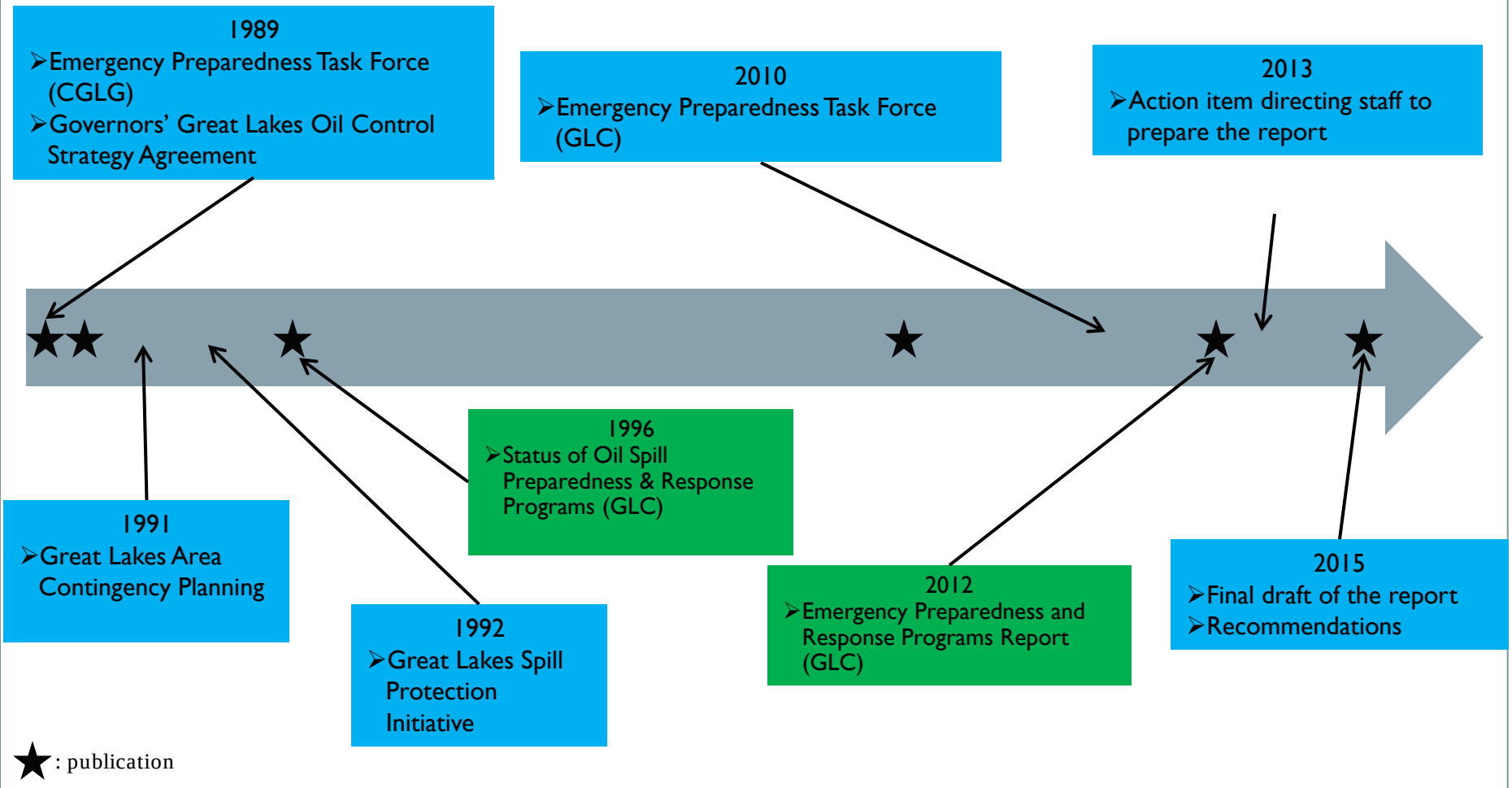
Great Lakes Commission
des Grands Lacs

MICHIGAN PETROLEUM PIPELINE TASK FORCE
JANUARY 12, 2015
LANSING, MI

The Great Lakes Commission

- Interstate compact agency
- Established in 1955 (Great Lakes Basin Compact)
  - Members: Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, Wisconsin
- Ontario and Québec joined in 1999 as associate members
- Commissioners include Michigan's Attorney General, senior agency officials and appointees of Governors and legislatures

GLC and Oil



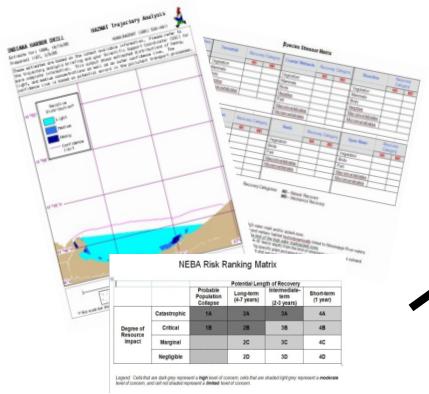
To download the 2012 report: http://glc.org/docs/2012-emergency-response-oil-spills-great-lakes/

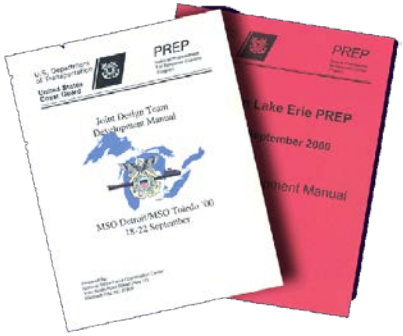
PLANNING

MAPPING

Spill Protection Initiative

GLC OIL ACTIVITIES





STRATEGY DEVELOPMENT

EXERCISES & RESPONSE

Report on Crude Oil Transportation

- Request to prepare an issue brief in September 2013
- Draft summary report and four separate issue briefs completed
- Presented at 2014 Annual Meeting as a “discussion draft”
- 60-day review by states, provinces and stakeholders
- Final report with recommendations to be presented at 2015 Semiannual meeting

Oil transportation discussion draft report

Great Lakes Commission des Grands Lacs

About the Project

The Great Lakes Commission was mandated to produce an overview of crude oil transportation in the Great Lakes-St. Lawrence River region. Commission staff has devoted substantial effort to researching aspects of the oil transportation issues to be addressed.

The discussion draft consists of a summary paper (of approximately 20 pages) and individual issue briefs that provide more detailed information in four key areas: 1) developments in crude oil extraction and movement; 2) advantages, disadvantages and economic benefits associated with oil transportation; 3) risks and impacts associated with oil transportation; and 4) policies, programs and regulations governing the movement of crude oil. The principal elements of the four issue briefs are summarized in the main body of the report. The discussion draft highlights key findings, but does not offer recommendations.

The discussion draft was released on Sept. 30, 2014, at the Great Lakes Commission Annual meeting in Buffalo, N.Y. This version (see sidebar links) was posted for review for a 60-day comment period during which stakeholders were encouraged to submit comments and suggestions that will be considered in finalizing the report.

Media Contacts

Draft report links:

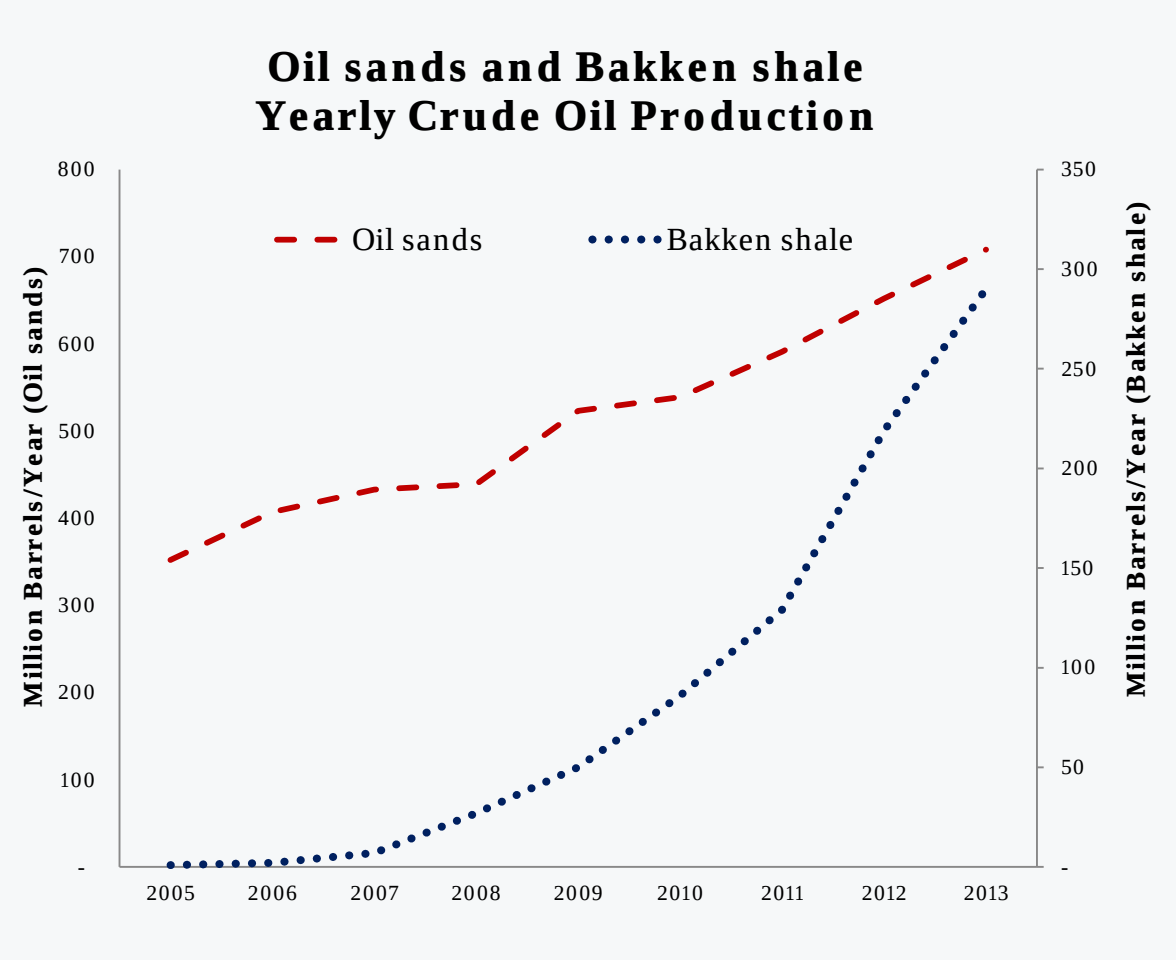
Summary of Issues and Trends Surrounding the Movement of Crude Oil in the Great Lakes-St. Lawrence River Region **(full report)**

Summary of Issues and Trends Surrounding the Movement of Crude Oil in the Great Lakes-St. Lawrence River Region **(summary only)**

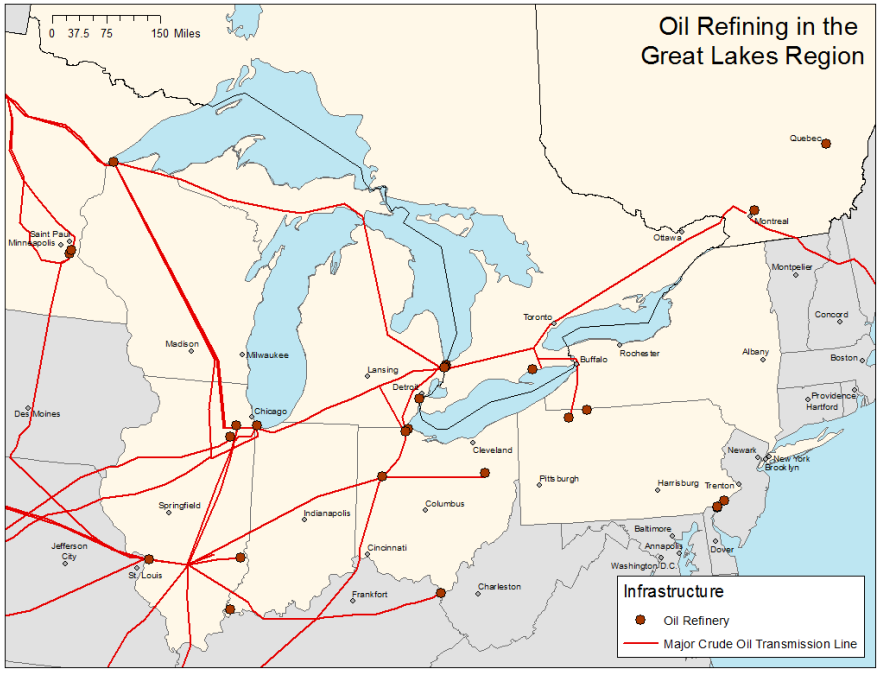
Issue Brief 1: Developments in Crude Oil Extraction and Movement

Issue Brief 2:

Crude Oil Production

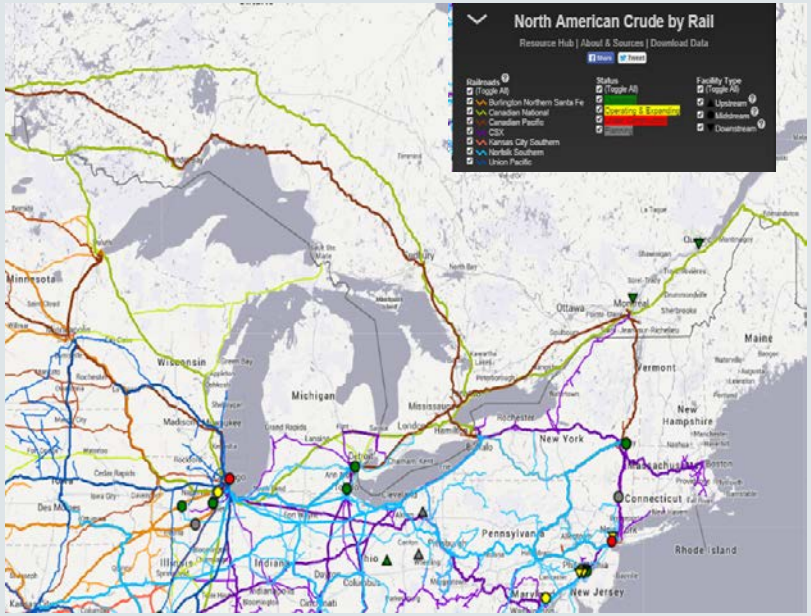


Refineries in the Great Lakes - St. Lawrence Basin



State/Province	City	Company	Refining capacity (bpd)
Indiana	Whiting	BP	400,000
Michigan	Detroit	Marathon	123,000
Ohio	Lima	Husky Energy	165,000
	Oregon	BP/Husky Oil	155,000
	Oregon	PBF	540,000
Wisconsin	Superior	Calumet	45,000
Quebec	Montreal	Suncor Energy	137,000
Ontario	Nanticoke	Imperial Oil	112,000
	Sarnia	Imperial Oil	121,000
	Sarnia	Suncor Energy	85,000
	Corunna	Shell Canada	72,000

Railroad and Pipeline in the Great Lakes-St. Lawrence Basin



Railroad network

Source: priceofoil.com

Transmission pipeline network

Members of the
Canadian Energy Pipeline Association

Source: www.cepa.com

Summary of Key Findings

- Tremendous increase in oil production and movement
- Risks are complex -- hard to evaluate and compare between modes
- Infrastructure issues are a concern, especially for pipeline and rail transport
- Increases in oil transportation (especially by rail) are outpacing regulatory, inspection and enforcement programs
- Mechanisms for communication, coordination and spill notification between jurisdictions exist but need to be strengthened.

Summary of Key Findings

- Response technologies for heavy oil spills in open freshwater are lacking
- There is currently no crude oil transported by vessel on the Great Lakes
  - ➢ Oil sands crude is shipped on the St. Lawrence River from Montreal to Europe

Oil Tanker, Sorel-Tracy port (near Montreal, Qc)

Source: www.genscape.com/blog/minerva-gloria-oil-tanker-loads-canadian-crude-italy

U.S. Pipeline Regulations

- Office of Pipeline Safety (OPS): implements pipeline design, construction, operation, maintenance and spill response planning provisions
- PHMSA: only agency authorized to prescribe safety standards for interstate pipelines, but not the location or routing
- States may select pipeline routes within their state
  - Illinois, Michigan and Minnesota require permits for new construction
- States may oversee intrastate regulation, inspection and enforcement responsibilities under an annual certification issued by PHMSA
  - Indiana, Minnesota and New York have certified programs

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