HONOR THE EARTH PETITIONS THE PUBLIC UTILITIES COMMISSION TO PROMPTLY OPEN A NEW DOCKET TO ESTABLISH A PIPELINE ABANDONMENT TRUST FUND, CITING ENBRIDGE’S RECENT DEPRECIATION OF ITS MAINLINE SYSTEM, AN EXISTING CANADIAN FUND AND THE GROWING RISK OF STRANDED FOSSIL FUEL ASSETS

CALLAWAY, MINN., – December 1, 2021 – Today the Indigenous-led environmental justice organization, Honor the Earth, filed a petition with the Minnesota Public Utilities Commission (PUC) to promptly open a new docket to establish a pipeline abandonment trust fund for the new Line 3 pipeline, which the PUC committed to do nearly three years ago.

Honor the Earth’s petition cites several reasons for its filing. Chief among them is Enbridge’s Depreciation Study Update, which it filed with the Federal Energy Regulatory Commission in May 2021. The Update assumes a 20-year (through 2040) economic life for Enbridge’s Mainline System pipelines, including but not limited to the new Line 3. According to the petition: “This period is 10 years shorter than the economic life stated by Enbridge during the Commission’s evidentiary hearing and in Enbridge’s earlier depreciation studies.” Enbridge shortened the economic life of its pipeline network due in part to an anticipated reduction in demand to transport Canadian crude oil as global climate policy limits oil production in Canada. Canadian tar sands oil production is the most CO2-intensive and expensive in the world, making it particularly vulnerable to advances in climate policy and the impacts of declining global oil demand.

SEE PETITION DOCUMENT HERE: Click here to view the document
A shorter economic life also would be expected to reduce both Enbridge’s financial capacity to pay for the cost of abandoned pipelines and to decrease its property tax payments to the northern Minnesota counties through which its pipelines pass.

**Dept. of Commerce Estimates Line 3 Abandonment Could Exceed $1.5 Billion**

Honor the Earth’s filing hopes to protect Minnesota private landowners and state and local governments from having to pay the cost of abandoning the new Line 3, which the Department of Commerce estimated could exceed $1.5 billion.

“Establishing an abandonment trust fund now rather than later would ensure that Enbridge and its customers bear the burden of abandonment – not Minnesota landowners,” said Winona LaDuke, Executive Director of Honor the Earth. “Should the Commission fail to open an abandonment trust fund docket, it would unfairly put landowners and/or taxpayers at risk.”

LaDuke pointed out that the Canadian government provides a viable model for the PUC and the state to adopt, noting that Canada has required Enbridge, a Canadian corporation, to pay C$1.743 billion into an independently managed pipeline abandonment trust fund over a period of 40 years. The fund protects Canadian landowners and taxpayers from future pipeline abandonment costs.

**Minnesota Pipeline Abandonment Fund Could Set Precedent for U.S.**

“Alarmingly, the U.S. federal government has not established a nation-wide pipeline abandonment trust fund so it’s incumbent on U.S. states and tribes to do so,” LaDuke added. “By initiating an abandonment trust fund docket, the PUC will take a critical trailblazing step toward ensuring that the pipeline industry will not inflict pipeline abandonment costs on landowners and taxpayers.”

**Oil and Gas Industry Stranded Assets a Growing Concern**

LaDuke also hopes to raise awareness about how a transition away from oil would result in accelerating abandonment of the oil industry’s extensive and toxic infrastructure, posing risks to our environment, economy and private investors. Recent post-COP26 media stories underscore such risks. For example, the *WSJ* on November 20, 2021 reported:

*Nearly 200 countries at the U.N. climate conference this month in Glasgow agreed to curb their use of fossil fuels to address global warming. The result, scientists say, would stave off the worst impacts of rising temperatures. For businesses, the shift—and climate change itself—raises the risk that trillions of dollars of assets will become worthless.*

*The energy industry would face $3.3 trillion in stranded assets, according to IRENA’s [the International Renewable Energy Agency] estimates. Much of the value of large energy companies comes from the expected income from their fossil-fuel reserves. More than half of fossil-fuel reserves need to stay in the ground to limit global warming to 1.5 degrees Celsius, according to a recent study by researchers from University College London in the U.K.*
For more information – or to interview Winona LaDuke about this and related Line 3 issues – please contact Martin Keller, Media Savant Communications, 612-220-6515, mkeller@mediasavantcom.com