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Business groups warn of energy market disaster if Whitmer shuts Line 5

CHAD LIVENGOOD  

- Chambers of commerce for Canada, U.S., Michigan, Wisconsin and Ohio file legal brief
- Michigan governor standing firm on deadline to shut down pipeline
- Move would trigger "energy emergencies" in both countries, group says

Larry Peplin for Crain's Detroit Business

The Marathon refinery in Detroit is partially supplied by liquids carried by Line 5 and provides 18 percent of Michigan's petroleum products.

A coalition of chambers of commerce for Canada, the United States, Michigan, Wisconsin and Ohio have mounted a united front against Michigan Gov. Gretchen Whitmer's attempts to have Enbridge Inc.'s Line 5 oil pipeline shut down today, arguing such a move would trigger "energy emergencies" in both countries.

The U.S. Chamber of Commerce, Canadian Chamber of Commerce and Wisconsin's and Ohio's chambers joined the Michigan Chamber of Commerce on Wednesday in filing an amicus brief in a federal lawsuit involving Enbridge's continued use of twin underwater pipelines that carry 540,000 barrels of oil daily across the environmentally sensitive waterway connecting Lakes Huron and Michigan.

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Wednesday is Whitmer's 180-day deadline for Enbridge to halt operations at the Straits of Mackinac, though the Calgary, Alberta-based petroleum transport giant has said it won't comply unless ordered by a federal judge or its regulators, the U.S. Pipeline and Hazardous Materials Safety Administration.

In mid-November, Whitmer revoked the 68-year-old easement agreement that has given Enbridge and its predecessors the right to operate the 4-mile underwater pipelines on the bed of Lake Michigan since the Eisenhower administration.

On Tuesday, Whitmer [sent an Enbridge executive a letter](#) warning that if the state is to prevail in court that it would consider any continued operation of Line 5 beyond Wednesday a form of trespassing on state land. The governor said the state would then seek to be compensated from Enbridge's daily profits for operating the pipeline without a legal easement agreement in place.

The Democratic governor and environmental groups have long argued Enbridge's aging pipelines are an ecological threat to the Great Lakes in the event there were ever an oil spill. Line 5 itself has never had a rupture or leak of oil at the Straits of Mackinac.

The coalition of chambers argued Wednesday that shutting down Line 5 without a viable plan alternative plan for transporting its light sweet crude oil and natural gas liquids to refineries in Detroit, Toledo, Sarnia, Ontario, and as far east as Montreal would be disastrous for energy markets.

"The Chambers expect that if the segment of Line 5 is shut down as proposed, the interstate and international effects will be substantial," the group wrote in its amicus brief. "Their members will face at best, significant strains on their businesses due to inflated energy prices, and will almost certainly face energy emergencies for propane, gasoline, jet fuel, and other products on which they depend and that flow and are processed across state lines and the international boundary with Canada."

In their fight to shut down Line 5, the Whitmer administration and Michigan Attorney General Dana Nessel have not laid out a plan for how to get Line 5's oil and natural gas liquids to refineries.

Energy industry and business groups have long said it would require thousands of oil tanker trucks crossing the Mackinac Bridge daily to replicate the volume of petroleum products that flow through Line 5 each day.

In a Wednesday morning news conference on Zoom with executives from the other chambers of commerce, Michigan Chamber CEO Rich Studley said using barges to transport oil on the Great Lakes would be an "insanely bad idea."

Using railroads to transport the oil would require "mile and miles and miles of railroad cars," Studley said.

"Oil transported by rail is 4.5 times more likely to encounter a spill, whereas a product transported by tanker truck is 10 times more likely (to spill)," said Aaron Henry, senior director of natural resources and sustainable growth for the Canadian Chamber of Commerce.

The National Propane Gas Association [says 55 percent](#) of Michigan's annual propane supply comes from Line 5's natural gas liquids that are fractionated by Plains Midstream Canada in Sarnia and the Upper Peninsula town of Rapid River. About three-quarters of Michigan's propane is used for residential heating, according to ICF International.

Michigan propane wholesalers also get natural gas liquids from the Marcellus Shale region of Pennsylvania and Gulf Coast pipelines that lead to Chicago, according to industry officials.

"Michigan uses more propane than any state in the country and depends heavily not just on in-state propane production facilities," the coalition of chambers wrote in the legal brief.

About 18 percent of Michigan's petroleum products are refined at the Marathon Petroleum Corp. refinery in Detroit, the state's lone refinery. The rest comes from other states, including Ohio refineries that are supplied by Enbridge's Line 5, which runs through the Upper and Lower Peninsulas, according to the chambers' legal brief.

Oil extracted from northern Lower Peninsula wells is added into Line 5 in the northern Lower Peninsula town of Lewiston.

PBF Energy's refinery in Toledo has said it relies on Line 5 to produce jet fuel for Detroit Metropolitan Airport and airports in Toledo, Akron, Cleveland, Columbus and Dayton, Ohio; Indianapolis and Fort Wayne, Ind.; Grand Rapids and Pittsburgh.

Both the BP-Husky PBF Energy refineries in Toledo will shut down and lay off 3,000 workers if oil stops flowing in Line 5 through Michigan, said Andrew Doehrel, president and CEO of the Ohio Chamber of Commerce.

"The impact it would have across the country would be enormous," Doehrel said.

Inline Play

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