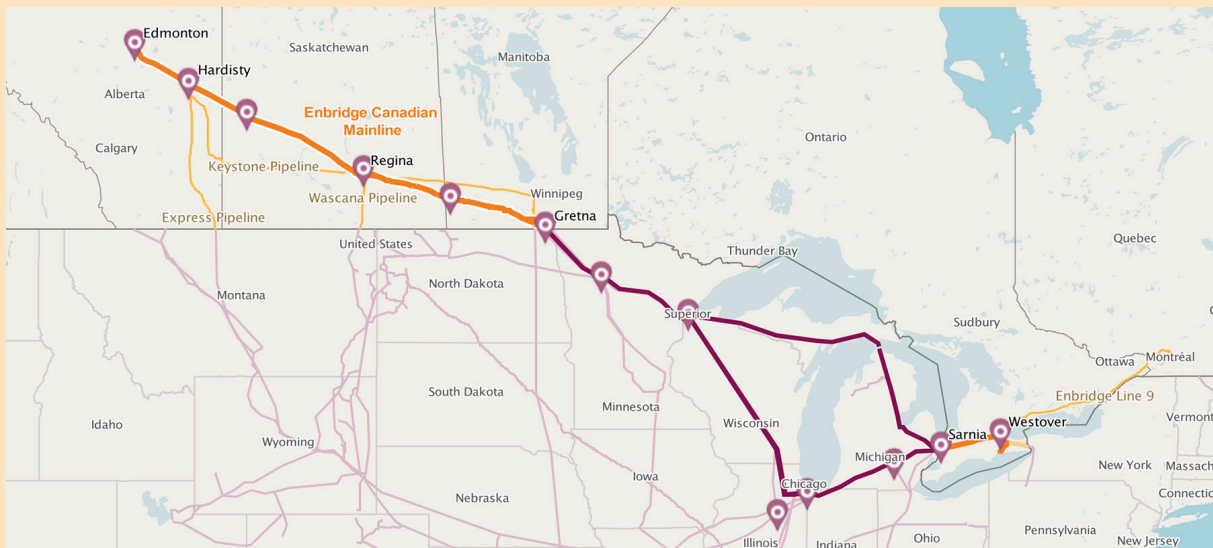


Enbridge should consider closing troubled Line 5 pipeline

Financial and environmental risks raise concerns

Enbridge's plan to bore a tunnel between Lake Michigan and Lake Huron to replace an underwater segment of Line 5 is costly and ill-advised. IEEFA's latest research shows that the aging pipeline is servicing a market that is likely to decline and is facing rising construction project costs.

Additionally, an Enbridge pipeline spill of an estimated 69,500 gallons of crude oil from a prolonged leak, discovered in 2024, highlights the risk that old pipelines can present.



Source: Canada Energy Regulator

Rising costs spell trouble for Line 5

The Enbridge tunnel pipeline faces rising costs: Based on risks and construction inflation, the project may ultimately cost three or more times as much as initially estimated.

In addition to rising construction costs, Enbridge faces an expensive project to re-route Line 5's Wisconsin segment, plus litigation related to both projects that could result in Line 5 shutdown.

A plan to close Line 5 would allow the company to chart a more flexible energy transition course.

Globally demand for oil is declining.

Figure 6: IEA estimates of global oil demand to 2050

