

Backgrounder

The Mackenzie Valley Pipeline

- The proposed Mackenzie Valley Pipeline would move gas from three gas fields containing about 6 trillion cubic feet of natural gas. The fields are owned by Imperial Oil, Conoco Canada and ExxonMobil, and Shell.
- To put the reserves in some perspective, that would fill current U.S. gas import levels for about 1.5 years.
- The pipeline would run about 1350 km along the Mackenzie Valley from near Inuvik to northern Alberta. Smaller lines would connect the three major fields north of Inuvik to the main pipeline. Other small feeder lines would also likely be built along the length of the pipe, connecting currently uneconomic gas reserves.
- The 230 km proposed Northcentral Crossing Pipeline would connect the southern terminus of the Mackenzie pipeline to Fort McMurray, allowing natural gas from the Beaufort Sea and Mackenzie Delta and Valley to be used to extract oil from the Athabasca tar sands region of northeastern Alberta.
- Total costs associated with pipeline construction are estimated at more than \$CDN 7 billion dollars. Permitting is expected to cost \$250 million.
- The preliminary information package was filed by the proponents in June 2003. This package describes in a cursory fashion the scale, scope and impact of the project.
- The project application, the next stage in the process, is expected to be filed this summer.
- The regulatory agencies estimate a time of approximately 2.5 years from the filing of the application to a government response to the panel findings, then a further six months for regulatory processes, assuming the project is approved.
- Northern communities are experiencing rapid climate change, with intrusion of 'new' species and alteration of the habitat of animals such as muskoxen and caribou on which they have traditionally depended. Ice travel, once critical for hunting, is now precarious in many places and unpredictable at most times of year. Concern runs high in the north about climate change and the ability of northern ecosystems and communities to adapt. Current global climate change modelling suggests that the Arctic will continue to experience the most dramatic effects of climate change anywhere on the globe, with the polar ice cap all but disappearing by 2055.

Athabasca Tar Sands

- The Athabasca tar sands could hold more than 300 billion recoverable barrels of oil. The term “tar sands” refers to a thick oil called bitumen that is mixed in with sand, clay and water.
- The tar sands currently account for 26 per cent of Canada’s oil production, but by 2025 that figure could grow to 70 per cent.
- Because of the massive amounts of energy needed to extract and refine the bitumen, oil from the tar sands end up producing two-and-a-half time the greenhouse gases of conventional oil production, making it the world’s most harmful type of oil for the atmosphere.
- Tar sands projects are projected to be the largest single addition to Canada’s greenhouse gas emissions, even without accounting for the carbon emissions that result from burning the end product. Tar sands production of greenhouse gas emissions was 17 megatonnes in 1990, and is projected to increase to 70 megatonnes by 2010. Tar sands projects would then represent the largest total single addition to Canada’s greenhouse gas emissions representing 9 per cent of Canada’s total in 2010 (or 12 per cent of Canada’s Kyoto target for that year).