

Questions and Answers

Agreement with Enbridge Energy, Inc., regarding Line 5

Nov. 27, 2017

Q: Why did the state demand this agreement from Enbridge Energy, Inc.?

Continuing disclosures by Enbridge regarding damage to the Line 5 coating beneath the Straits of Mackinac have underscored the need for improved stewardship of the pipeline by Enbridge and increased action by the State. Business as usual is no longer acceptable. This agreement demands specific actions of Enbridge with hard deadlines for each action to make certain there is the proper level of active examination, immediate safety improvements and increased transparency for Line 5. The evaluation of Line 5 being conducted by the Michigan Agency for Energy, the Michigan Department of Environmental Quality and the Michigan Department of Natural Resources will continue, ending with a final decision from the State on the future life expectancy of Line 5 on a clear timeline. The measures outlined in this agreement will provide greater safeguards while that evaluation continues.

Q: What specific State concerns does this agreement address?

Transparency: Gov. Rick Snyder has said the lack of transparency is a significant concern in the State's dealing with Enbridge. This agreement puts state-appointed experts shoulder-to-shoulder with the company during significant study and implementation milestones so the State can independently verify the findings and be assured that any and all information is made available in a timely manner.

Timeliness: C. Heidi Grether, director of the Department of Environmental Quality, has said the state will continue to evaluate thoroughly all the information Enbridge provides as the DEQ reviews the company's application to install more anchors along the pipeline. Having the latest information available in a timely manner will allow the DEQ to make the best-informed decision regarding the anchor application. It also requires Enbridge to meet regularly with the State to review operations, any changes, etc.

Truthfulness: Valerie Brader, executive director of the Michigan Agency for Energy, says the rules set in this agreement go a long way toward making sure Enbridge is giving the state the latest, most accurate information about the pipeline's condition. New monitoring techniques will provide timely, scientific data on the condition of the pipeline, its anchors and its protective exterior coating. Independent of the agreement, Enbridge is expected to give a full accounting of the status of Line 5 at the Dec. 11 meeting of the Pipeline Safety Advisory Board meeting in Lansing.

Stewardship: Keith Creagh, director of the Department of Natural Resources, has said the state has concerns about Enbridge's stewardship of the pipeline and possible effects on Michigan's natural resources. The agreement calls for Enbridge to evaluate Line 5 crossings of other bodies of water throughout the state. At the same time,

Enbridge's decision to tunnel below the St. Clair River is a first step in the right direction for protecting the Great Lakes. Also, studying how best to avoid an anchor snag of the Line 5 pipes in the Straits of Mackinac, which the independent Alternatives Analysis identified as a major threat to the twin pipes, is expected to lessen the possibility an accidental anchor drop will create a situation where oil and natural gas liquids may spill into the water of the Great Lakes.

Safety: Chris Kelenske, deputy state director of Emergency Management and Homeland Security and commander of the Michigan State Police, Emergency Management and Homeland Security Division, has stated that it's imperative Enbridge do the right thing to protect Michigan's natural resources. In addition to the many studies for improvements detailed in the agreement, it provides for a shutdown of the Straits pipeline when weather conditions would not allow for response to an oil spill. This is an immediate improvement in Line 5 safety.

Q: What portions of the pipeline in addition to the Straits are addressed in the agreement?

Every portion. The agreement mandates that Enbridge replace by means of horizontal directional drilling the portion of Line 5 that crosses beneath the St. Clair River, a location where this action can be quickly accomplished. The St. Clair River is a primary source of drinking water and an environmentally sensitive location on the pipeline. In addition, the agreement mandates that Enbridge, in partnership with the State, evaluate other Line 5 water crossings in Michigan and identify additional measures that would minimize the likelihood and consequences of an oil spill at those locations, then implement the identified measures.

Q: What does the agreement say about the portion of the pipeline that runs beneath the Straits of Mackinac?

The agreement mandates that Enbridge undertake, in partnership with the State of Michigan, a study of alternatives to the current Straits pipeline. Specifically, the study must explore: placement of pipeline (s) in a new tunnel beneath the Straits of Mackinac; installation of a new pipeline across the Straits using horizontal directional drilling; and installation of a new pipeline across the Straits with an open-cut trenching method that includes secondary containment.

Q: What other actions does the agreement require of Enbridge at the Straits of Mackinac?

The agreement demands that Enbridge:

- Temporarily shut down operation of Line 5 in the Straits during periods of sustained adverse weather conditions, because those conditions do not allow watercraft and equipment to respond effectively to potential oil spills. "Sustained adverse weather conditions" are defined in an appendix of the agreement.

- Implement technologies to improve the safety of Line 5 in the Straits by allowing for a more immediate response in the event of a spill. Those technologies to be assessed include underwater cameras to monitor the pipeline.
- Evaluate and implement measures to mitigate a potential vessel anchor strike on Line 5 beneath the Straits. A vessel anchor strike was identified in the final alternatives analysis as one of the most serious threats to the safety of Line 5 in the Straits.

Q: What's to ensure that Enbridge complies with these demands?

The agreement – which can be found in full on the Pipeline Safety Advisory Board website – is legally binding and includes specific deadlines for each mandated action. Enbridge will be in legal breach of the agreement if the company fails to perform each action by its deadline. The State will hire its own experts to monitor Enbridge's actions and review and verify the company's data. The agreement requires the company to cooperatively identify and make available to the State relevant information regarding the operation of Line 5.

Q: What's next?

The state has released a final independent Alternatives Analysis. The public will have a 30-day period to review and comment on this analysis, including at three public comment sessions around the state. In addition, the State is finalizing a contract with a team of top scientists from Michigan Technological University and other colleges and universities in Michigan to undertake an independent Risk Analysis. The state will consult with Michigan's tribal governments about the pipeline. Those analyses, along with the just-signed agreement, will inform the State's decision about the future of Line 5. A date for that decision has not been set. In addition, the following deadlines are mandated in the agreement:

Nov. 27, 2017: Start date for Enbridge to temporarily shut down the operation of Line 5 in the Straits of Mackinac during periods of sustained adverse weather conditions as defined in the agreement.

Dec. 31, 2017: Deadline for Enbridge to request pre-application consultations with U.S. regulatory agencies for necessary approvals to replace Line 5 at the St. Clair River Crossing.

Feb. 28, 2018: Deadline for Enbridge to file applications to seek permits issued by the State of Michigan – and any local governments within the state -- that are necessary for replacement of the St. Clair River Crossing. This does not include applications filed jointly by state government and federal government.

June 15, 2018: Deadline for Enbridge to complete a report on alternatives to the current pipeline beneath the Straits of Mackinac.

June 30, 2018: Deadline for Enbridge to assess technologies addressed in the Consent Decree Report to determine if those technologies would provide additional benefits over and above technologies already in place at Line 5. If no authorizations are necessary, Enbridge will proceed with installation of identified technologies as soon as possible.

June 30, 2018: Deadline for Enbridge to complete a report on options to mitigate risk of a vessel anchor damaging Line 5 in the Straits. Enbridge will proceed with design and installation of the most appropriate option within 180 days of receiving all necessary authorizations and approvals.

June 30, 2018: Deadline for Enbridge to submit to the State a list of priority waters crossed by Line 5 – jointly identified by the State and Enbridge – and specific measures at each crossing to minimize the likelihood and consequences of an oil spill. The plans will include a schedule for implementing identified measures.

July 25, 2018: Deadline for Enbridge to file necessary applications to seek authorization to place new pipeline through horizontal directional drilling beneath the St. Clair River. Enbridge will proceed with replacement of Line 5 beneath the St. Clair River 180 days after obtaining all necessary permits.

Aug. 15, 2018: Goal for the State and Enbridge to execute an agreement regarding further actions on Line 5 at the Straits.

Aug. 30, 2018: Deadline for Enbridge to file all necessary applications to seek authorization to install and apply additional technologies at the Straits. Installation of those technologies must begin no later than 365 days after receiving all necessary approval and authorizations.