

Double Down on Fossil Energy or Double Up on Renewal Energy?

In hindsight, everyone now agrees It doesn't take hindsight to know Ithat financing more horse-drawn that massive Canadian government carriage and wooden wagon wheel investment in a bitumen-transportmanufacturers at the dawn of the ing pipeline project at the dawn of automobile age were not smart in- the renewable energy age is even more foolish!

STOP THE PIPELINE!

CONTACT

PROTECT THE INLET

protecttheinlet.ca

Will George, Spokesperson

Wilderness Committee

Peter McCartney. Climate Campaigner 604-683-8220



Aerial photo of Simon Fraser University illustrating Kinder Morgn's proposed expanded tank farm. An "atomic bomb" situated on its doorstep. Image taken from the video by Bob Bossin "Only one bear in a hundred bites" about tank farm disasters. https://www.youtube.com/watch?v=tOyceZiLF-Y

"Never grab a falling knife," goes a stockbroker's saying. Savvy investors know there are usually big losses in purchasing a stock that is falling in price in the hope that it will eventually go up.

"Follow the money," goes another saying. Kinder Morgan U.S. owns 70% of Kinder Morgan Canada with 30% being owned by Canada's five biggest banks and 21 other banks that have invested \$7.25 billion in the pipeline through shares and loans.

Over the last 3 years, big investors in Alberta's tar sands have quietly sold out and pulled out. These include oil giants Exxon-Mobil, Conoco-Phillips, Royal Dutch Shell, Total S.A., and Statoil of Norway.

They have abandoned gargantuan deposits of billions of barrels of bitumen and taken billion-dollar write-downs. This is the multi-national players' rational way of cutting losses in "stranded assets" in the waning age of fossil fuels. Never throw good money away after bad. The smart money knows when to get out.

The Alberta and Canadian governments are the only possible investors in the whole world who would put money into keeping the Kinder Morgan pipeline project alive, said one economist recently on CBC Radio.

Where's the smarter money going?

For one, it's going into shale-fracked oil. U.S. fracked oils are "sweeter", more accessible to seaports, and far cheaper to refine than bitumen. They're also cheaper to extract. Dilbit (diluted bitumen) needs to be \$80 US per barrel to make a profit. That's why there was a rush to extract bitumen back in 2013 when dilbit fetched over a \$91 US a barrel. But oil only needs to sell at \$60 US a barrel for shale-fracking to boom. Shale-fracked oils are gushing out of Texas and North Dakotafar closer than northern Alberta is to Texas and Louisiana where some of the biggest oil refineries and oil ports in the world are located, accommodating tankers that carry four times more oil than the biggest tankers that can navigate the narrow channel to Kinder Morgan's Westridge Terminal.

So, do we need the Kinder Morgan pipeline to get bitumen to tidewater so it can be sold in Asian markets, especially China, for higher prices than in the U.S. when there's so much cheaper fracked oil? The truth is no! There are virtually no oil refineries in Asia today equipped to refine bitumen. There's no market in China for Cana-

Where's the smartest money going?

Based on oil economics, bitumen simply can't compete.

Based on energy economics, bitumen's dead in the water. Solar and wind energy now cost below two cents a kilowatt hour. Predictions are that, with the acceleration of innovation in renewal energy technologies, there'll be a complete global shift to renewables within 15 years.

Sensible: Sunlight and wind are free and they don't cause global warming

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Warning: Most of the content in this paper is true, however some humor and fictional material is included.

How Trudeau's lies differ from Trump's lies

While Trump is a compulsive liar, Trudeau is a consummate actor. Trump sometimes knows he's lying. At other times he doesn't know the answer to a question, so makes one up, not really caring if the answer is true or not. Trudeau, however, always follows a script. "He's given lines, memorizes them, spouts them faithfully, and never questions whether they're grounded in truth or not," explains a drama teacher. "He is not the bright original thinker like his father was, but he acts well and is super photogenic."

His acting background explains why Trudeau championed stricter measures to limit global temperature rise to a maximum 1.5°C in Paris in 2015 and and gave such a passionate speech that gave hope to the island states and coastal communities that will be flooded by rising sea levels if global warming reaches 2°C.

Newspaper headlines at the time declared "Canada is Back." After years of hardline obstruction and inaction by the Harper government, Canada was going to provide world leadership on solving the climate crisis and take bold action in reducing its own GHG emissions. Our Prime Minister emerged as the hope of all those who understood the severity of the climate crisis

In Paris, Trudeau must have relied on Green Party MP Elizabeth May for his lines.

When Trudeau got back to Ottawa, he got a new set of scriptwriters: the same back-room oilsands promoters and lobbyists that had Harper in their pockets. No problem for Trudeau. He parroted his new lines with no thought, no understanding, nor any worry that his new script contradicted his lines in Paris. "Of course we can build the Kinder Morgan pipeline and increase production of tarsands oil and still meet our Paris commitments to reduce greenhouse gas emissions enough to keep global warming to below 1.5°C" says Trudeau with complete confidence.

Over the 2005–2016 period, total emissions decreased by 28 Mt or 3.8%. Our 2030 goal is to reduce emissions by 30%. Recently emissions have increased and can be attributed to increases in Mining and Upstream Oil and Gas Production (21 Mt).

Canada's Crazy Climate Plan

Like having your cake while eating it, too, a country that fails to reduce enough Greenhouse Gas (GhG) emissions to help slow global warming as promised in signing the Paris Climate Accord, has a "back doorway" way to accomplish the same thing.

How? Get someplace else to reduce an equivalent amount of emissions (above and beyond what that place already is doing under the Paris Accord), to make up the shortfall.

Canada's emissions have been going up, not coming down in recent years. In 2016 Canada said it would miss its target by 44 megatonnes of carbon. Now it's 66 megatonnes!

In documents released through FOI, Canada, knowing full well that its tar sands expansion plans are incompatible with its 2030 (only 12 years away) reduction goals to reduce its emissions 30% below Canada's 2005 level, determined it would be cheaper to have California do the job. Canada will pay Californians billions of dollars a year to generate more renewable wind and solar energy and transition faster to fully electric vehicles. California gets the all the new jobs and the cheaper power benefits. Alberta gets rid of its bitumen.

Brilliant. Oil barons of the Alberta tar patch get richer while regular Canadians pay the piper through greatly increased taxes get poorer. In the long run this short term offset solution will make it all the harder and more expensive in the future for Canada to make the transition to the low carbon world economy.

One big problem! With Trump pulling out of the Paris Climate Accord, California no longer qualifies as a surrogate reducer!

Standing Rock of the North

The biggest threat to the KM Pipeline may be the fierce opposition of the Secwepemc people whose unceded territory, Secwepemcul'ecw, covers more than half of the proposed pipeline route.

Not only did the Canadian government approve the pipeline despite the lack of this Indigenous Nation's consent. It utterly failed to adequately consult the Secwepemc.

Back in 1951, when the federal government unilaterally approved the original Trans Mountain pipeline through Secwepemcul'ecw, the Secwepemc people

KINDER MORGAN TRANS MOUNTAIN PIPELINE WITHIN SECWEPEMC NATION Prince George Valemont Blue River Revelstoke Kamloops Kelowna Communities Kinder Morgan pipeline Secwepeme Nation 1,000

could not oppose it because the Indian Act prohibited Indigenous peoples in Canada from organizing on land issues and hiring lawyers. The original Trans Mountain pipeline went into operation in 1953 without the Secwepemc people's consent. The Secwepemc are determined that history will not repeat itself.

Defense of their territory is not something new for the Secwepemc. A standoff between the Secwepemc and the Royal Canadian Mounted Police in 1995 at Ts'Peten (Gustafsen Lake) involved the largest paramilitary operation in Canadian history.

Most recently, the Secwepemc Women Warrior Society disrupted the 2017 Annual General Meeting of Imperial Metals over their tailings pond spill at Mount Polley in Secwepemcul'ecw.

If the Canadian government makes good on its threat of using executive force and militarized action to force the pipeline through, the spectre of a "Standing Rock of the North" looms large.

Secwepemc land defenders are building "tiny houses." The Tiny House Warriors have built the first of ten which they plan to place along the pipeline route.

This tactic was learned from a similar maneuver at Standing Rock. The tiny houses are lawful structures according to the jurisdiction of the Secwepemc. Kinder Morgan faces the spectre of having to physically remove the houses or request deployment of security forces to do so. Not only will this delay pipeline construction, it could open the company up to civil and criminal charges.

Secwepemc land defenders vow they will stop the pipeline "by any means necessary."

Excerpted from and based on: An updated Summary Risk Assessment of the Trans Mountain Pipeline Expansion Prepared by the Indigenous Network on Economies and Trade (INET) https://tinyurl.com/ya23uptw

Big Bank Bails

HSBC is Europe's biggest bank and one of the ten largest banks in the world. On April 21, 2018 it announced that it will no longer fund oil or gas projects in the Arctic, Alberta tar sands projects, and most coal projects.

This decision signals to Justin Trudeau that the era of fossil fuels is coming to a close.

Daniel Klier, global head of sustainable finance at HSBC, said that the bank recognizes "the need to reduce emissions rapidly to achieve the target set in the 2015 Paris Agreement to limit global temperatures rises to well below 2°C and our responsibility to support the communities in which we operate."

Formerly, HSBC was one of the heaviest investors in fossil fuels. A report, entitled "Banking on Climate Change", endorsed by dozens of environmental groups, ranked HSBC the seventh worst in the world for the financing of "extreme fossil fuels." It also found that from 2016 to 2017, "Even as the impacts of climate change become increasingly apparent", it made a \$2.6 billion increase in such financing.

Keith Stewart, senior energy strategist at Greenpeace Canada, advised Trudeau, who is about to invest tax-payers' dollars to make sure the Kinder Morgan pipeline gets built, to take warning in HSBC's shift.

"Before deciding to write a cheque to Kinder Morgan, Justin Trudeau should ask himself if he wants to rush in where HSBC fears to tread," said Stewart.

Beer or Bitumen - Same Principals

On April 19th, 2018 the Supreme Court of Canada ruled that a province could restrict certain inter-provincial trade. It ruled against a beer smuggler who claimed it was unconstitutional for New Brunswick to fine him \$300 in 2012 for taking 14 cases of beer plus three other bottles of alcohol he bought in



Pipeline protestor, part of "Justin Trudeau Brigade"

Name of activist group inspired by Trudeau's statement governments grant permits; only communities grant permission holds up ActionInTime signs to temporally prevent vehicles from entering KM's Westridge Marine Terminal in Burnaby. No injunction in effect at that time.

Quebec into the province in defiance of its law restricting the quantity to only one case per trip.

Constitutional experts believe this ruling strengthens BC Premier Horgan's request that the BC Supreme Court affirm BC's right to limit the flow of toxic diluted bitumen through the proposed expanded Kinder Morgan pipeline.

In the New Brunswick case, the Supreme Court concluded that provinces have the power to enact laws to regulate and tax harmful products like cigarettes and alcohol and restrict commerce and the import of trade items if the restriction is based on health or other legitimate reasons and not simply as a discriminatory trade barrier to protect a particular province's industries or economy from competition.

"Bitumen or booze? I choose beer, commented a local Vancouver downtown eastsider after a few.

Big Tobacco and Big Oil Rackets with Similar Tactics

The fossil-fuel industry (Big Oil) had the Conservative politicians, headed by Stephen Harper, in their pockets. Now they've pocketed the Liberal politicians, headed by Justin Trudeau. Big Oil works tirelessly and spends Big Money to maintain peoples' addiction to oil and gas. The tactic it uses today were pioneered by Big Tobacco, which fought for decades to maintain the Big Money it made through pushing mass addiction to cigarettes.

Big Tobacco stoked a cancer pandemic sowing doubt that their products had any harmful effects well after their industry was aware that they did. Today Big Oil threatens life itself, stoking runaway global warming, extreme weather, droughts, rising sea levels and ocean acidification. The biggest of them, Exxon, knew by the early 1970s that the megatonnes of CO2 generated by the use of their products over time would cause catastrophic global climate change, yet they decided to dupe the public and continue pushing as hard as they could to sustain the addiction.

Today, because they actually knew about, but hid, the real risks and harm, both are facing class action suits to make them pay for the damages they have done.

But in intergenerational magnitude and world-wide breadth of impact, Big Oil is in a class by itself. It's a lot easier to snuff out a cigarette!

Myth vs Truth

Myth - If we could get the Alberta bitumen to Asia, it would fetch a much higher price than it currently does in the U.S.

Truth - Alberta bitumen is already getting the best possible price through existing pipelines to the US, which access the largest heavy oil refineries in the world. Few refineries in Asia currently can refine it. No tankers of Alberta biltumen went to Asia from Westrildge terminal in 2017.

Myth - There is widespread support of First Nations along the route for the KM pipeline project.

Truth - Fewer than 1/3 of the First Nations along the pipeline and tanker route have signed Mutual Benefit Agreements (MBAs). Support seems to be waning. The company boasts of having 43 agreements. A year ago it was reported there were 51. More significantly, the

Tsleil-Waututh, in whose territory Kinder Morgan's Westrildge terminal is located, and the Secwepemc whose territories encompass more than half the pipeline's length, are adamantly opposed.

Myth – Bitumen sinks in fresh water but not in salt water.

Truth – Bitumen sinks (and stinks) when toxic diluents evaporate in both fresh and salt waters. Sinking happens fast when bitumen comes in contact with sedilments. Sediments are abundant in the Fraser River's brown coloured outflow around Vancouver and into the Salilsh Sea.

Myth – A world-class spill response team can clean up most of the oil in an oil spill.

Truth – A recovery of 20% of the oil is considered a good clean up job by industry and government. 80% or more cannot be recovered. It disperses and pollutes the beaches, intertidal zones and ocean bottom for decades. Other difficulties make land based spills, except the smallest, impossible to completely clean up.

Myth - The Alberta oil patch drives the Canadain economy.

Truth - The Alberta oil patch generates only 2% of Canada's GDP.

A Twisted "Carbon Tax"

As soon as diluted bitumen starts flowing down Kinder Morgan's {KM} new pipeline, gas prices at the pumps in B.C. will go up. No lie.

Kinder Morgan figured out a clever way to fund their new pipeline. Make British Columbians pay for it.

Here's how it works. Kinder Morgan got the National Energy Board (NEB) to approve an increase in toll rates of \$5 a barrel on all refined products pumped down the old KM pipeline after the new pipeline is completed and in operation.

This little reported NEB decision will more than double the charge KM now levies to deliver a barrel of gasoline or diesel to B.C.

One economist has calculated that it will deliver enough extra revenue to KM over the 35 year life of the pipeline to pay for the whole expansion project and will cost B.C. motorists 10 to 15 cents more per litre of gas.

Another little known fact. The new pipeline will be exclusively dedicated to transporting unrefined bitumen for export. B.C. gets no benefits, except for 50 more long-term jobs {an estimate provided by Kinder Morgan to the NEB during the hearings} after it is built.

When a prominent pipeline supporter discovered this, nearly speechless, he muttered "Well, I've been duped! and instantly became a pipeline opponent.

Factoid:

Once a bitumen-filled tanker leaves
Kinder Morgan's dock, Kinder
Morgan is not liable
for any spill or cleanup!