

Let's build energy infrastructure based on what real people need, not what big oil companies want

Proposal: update Minn. Stat. § 216B to define and require a consumer demand forecast for oil infrastructure projects such as pipelines and refineries.

Current law allows applicants for a Certificate of Need at the Public Utilities Commission to sidestep the interests of Minnesota consumers by using an outdated justification process for a project like an oil pipeline based essentially on oil shippers' desire to ship crude oil to refineries, regardless of whether end-product users will need it in coming years. Our proposed change addresses one of the regulatory failings that led to the Line 3 pipeline, which was approved without demonstration of end-user demand.

We want to add a section to 216B, which governs the Certificate of Need process at the PUC, to require a forecast of demand from "ultimate consumers" of oil in Minnesota and neighboring states. Such a forecast would include historical and present use rates, present and anticipated conservation policies, shifts in energy use, price, population growth, and the impact of technology that may heighten or suppress demand. Of particular interest at the present time is the transition to electric vehicles, which has the potential to dramatically reduce demand for liquid fuel.

Major oil infrastructure projects are huge contributors to global climate change. For example, the recently-completed Line 3 Pipeline carries oil with an emissions impact equal to 50 coal power plants. All too often, this kind of fossil fuel infrastructure is sited on tribal land or treaty territory, driving unjust local impacts while the benefits flow out of state to major oil companies. Updating the Certificate of Need law to require explicit consideration of ultimate consumer demand for petroleum infrastructure is a common sense change that would help bring an end to corporate/extractive projects that risk our lands, waters, and community without lasting local benefit.

Contact: Andy Pearson at MN350, andy@mn350.org