

SENATE BILL REPORT

SJM 8010

As of February 16, 2015

Brief Description: Requesting the President and United States Congress to take action to approve the Keystone XL pipeline.

Sponsors: Senators Roach, Angel and Benton.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 2/17/15.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Staff: Jan Odano (786-7486)

Background: The Keystone Pipeline transports Canadian crude oil from Hardisty, Alberta, Canada into the United States to refineries in Illinois and Texas and oil pipeline distribution centers in Oklahoma. Canadian crude oil includes synthetic crude oil and diluted bitumen. There are four phases of the Keystone pipeline project. Currently three phases of the Keystone Pipeline system are operational and a fourth phase is awaiting approval from the United States federal government.

Phase I is approximately 2150 mile of pipeline from Hardisty, Alberta to Steele City, Nebraska and to a refinery and tank farm in Illinois. This phase was became operational June 2010.

Phase II is the Keystone-Cushing extension, which is approximately 300 miles long. It connects the phase I pipeline in Steele City, Nebraska through Kansas to storage and distribution facilities in Cushing, Oklahoma. It was constructed in 2010 and began operations in February 2011. These first two phases have the capacity to deliver up to 590,000 barrels per day of oil into the mid-west refineries.

Phase III, the Gulf Coast Pipeline Project, extends the pipeline 487 miles from Cushing, Oklahoma to refineries in Texas. The segment to Port Arthur, Texas was completed in January 2014. A lateral pipeline to refineries and a terminal in Houston, Texas will be complete in mid-2015. The construction of the pipeline from Cushing, Oklahoma to Port Arthur, Texas, began in August 2012 and was completed and operational January 2014. Phase III has capacity to deliver up to 700,000 barrels per day to the Texas refineries.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Phase IV is the proposed pipeline expansion segment referred to as the Keystone XL Pipeline. This would follow the same route as Phase I between Hardisty, Alberta and Steele City, Nebraska with a shorter and larger diameter pipe. The proposed pipeline would extend into Montana where United States-produced crude oil from the Bakken formations in Montana and North Dakota would be added to Canadian crude oil. This would also allow United States-produced Bakken crude oil to be transported to the storage and distribution facilities in Oklahoma. The proposed Keystone XL Pipeline Project would have the capacity to transport of up to 830,000 barrels per day of crude oil from the Western Canadian Sedimentary Basin in Alberta, Canada, and from the Williston Basin (Bakken) region in Montana and North Dakota, to refineries in the Gulf Coast area.

Congress passed legislation regarding building the Keystone XL Pipeline.

Summary of Bill: The Legislature requests Congress and the Administration to support the continued and increased development and delivery of oil from Canada to the United States. The Legislature requests that the President approve the Keystone XL Pipeline Project to ensure America's oil independence, improve national security, reduce the cost of gasoline, create new jobs, and strengthen ties between the United States and Canada.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.