2019 Project Updates

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Strathcona County is Canada’s largest hydrocarbon processing region and Alberta’s leading industrial municipality — as measured by the value of manufactured goods. Over 11,000 businesses and organizations are located in the county, including over 220 manufacturing companies.

Welcoming and well equipped to handle current and future industrial growth, Strathcona County has recently completed the Heartland industrial area structure plan and transportation master plan to maintain excellent infrastructure and support road, rail and pipeline access to regional and global markets.

Inter Pipeline

Inter Pipeline’s construction of the Heartland Petrochemical Complex is well underway. The facility is designed to convert locally sourced, low-cost propane into 525,000 tonnes per year of polymer grade polypropylene, a high value and easy to transport plastic used in the manufacturing of a wide range of finished products.

The Heartland Petrochemical Complex will cost approximately $4.1 billion to construct and will consist of a propane dehydrogenation (PDH) and a polypropylene (PP) facility with a central utility building (CUB). Inter Pipeline was awarded $200 million in royalty credits from the Government of Alberta’s Petrochemical Diversification Program, in support of the complex. Construction is underway, with more than 2,000 on-site workers, and completion is scheduled for late 2021.

Air Products

A new Canadian plant has been built in Strathcona County under a long-term agreement for Air Products to supply Shell Scotford with hydrogen and steam, and to supply hydrogen to North West Redwater Partnership Sturgeon Refinery. The total investment of the project was $300 million, and it produces 150 million standard cubic feet per day of hydrogen. The facility ties into Air Products’ 50km Heartland hydrogen pipeline, connecting it to customers and Air Products’ other hydrogen plants in the region. The pipeline also has the added benefit of additional storage space for hydrogen.

MEG Energy

MEG Energy owns a 1,200-acre parcel of land in Strathcona County, and has disclosed plans to develop commercial processing facilities, including a Diluent Recovery Unit and partial upgrading facilities. MEG also owns a smaller parcel of land in the Industrial development area of Lamont County, adjacent to the Bruderheim Energy Rail Terminal, where they are developing the HI-Q® demonstration facilities to advance their proprietary HI-Q® technology.

Heartland Sulphur

The Heartland Sulphur Terminal has completed construction, and is in operation. This terminal provides the forming and liquid loading facilities required for Alberta producers to move their increasing sulphur supply to various world markets. The forming facility processes 700,000 tonnes of liquid sulphur sourced from Alberta oil sands and gas plants each year.

TransCanada

The Grand Rapids Pipeline Project began operations in the fall of 2017, connecting crude oil resources from the west Athabasca oil sands area to Strathcona County. The 460 km dual pipeline system consists of 20-inch pipeline to transport blended bitumen from Northern Alberta to the Edmonton Area and a 36-inch pipeline to transport diluent from the Edmonton Area back to the Fort McMurray area. Total product moved will be up to 900,000 barrels per day of crude and 330,000 barrels per day of diluent.

The Heartland Pipeline Project is a proposed 36-inch pipeline that will aid in the transport of up to 900,000 barrels of crude oil from Strathcona County to the Hardisty Alberta hub. As they have progressed through the regulatory process and advanced Project planning, TC Energy has adjusted their construction schedule to respond to current market conditions and continues to work with its long-term committed shippers.

The TC Terminals Project will provide tank storage of up to 1.9 million barrels of crude oil and will facilitate the efficient movement of crude oil from Northern Alberta by providing a connection to access markets elsewhere in North America. The TC Terminals Project will be constructed in alignment with the in-service date of the Heartland Pipeline.

TC Energy has also acquired lands in Strathcona County with access to existing CN and CP rail lines. The lands are approximately 2.5 km east of TransCanada’s TC Terminals Project.

Quest Carbon Capture and Storage (CCS) Project is a joint venture of Shell, Chevron, Marathon, Government of Alberta and the Government of Canada. Now operational, this $1.35 billion project captures, transports and stores (permanently underground) over one million tonnes of CO₂ a year, from Shell’s Scotford Upgrader in Strathcona County – the equivalent to taking 250,000 North American cars off the road each year. Quest CCS has both global records for carbon capture in a one year period (1.2 megatons) and the most CO₂ stored by an on-shore CCS project. Once the CO₂ is captured from the three hydrogen units, it is transported by pipeline up to 80 km north to the chosen injection wells.
The ATCO Heartland Energy Storage and Logistics Centre encompasses more than 600 acres of continuous land in Strathcona County. The project currently includes four salt caverns for hydrocarbon storage, with the capacity to store approximately 400,000 cubic metres of propane, butane, ethylene, and natural gas condensate. Two additional caverns are anticipated to be completed in the near future, and there is potential to develop upwards of 40 caverns.

Rezoning was approved in fall of 2017 to allow for an extension to Keyera’s existing salt cavern storage facilities. Keyera has also purchased all Sasol land holdings in Strathcona County and any information regarding its use will be shared in future updates.

In 2017, Pembina Pipeline Corporation launched the $250 million Canadian Diluent Hub (CDH), a large-scale condensate and diluent terminal at its Heartland Terminal site in Strathcona County. The CDH development includes 600,000 barrels of above ground storage, multiple inbound and outbound pipeline connections, plus associated pumping and metering facilities. CDH is designed to augment Pembina’s existing diluent handling facilities in the area and offer diluent services for oil sands customers.

In 2018, Canadian Natural (CNRL) purchased assets from Shell, valued in the range of $12.7 billion. This includes ownership of the Athabasca Oil Sands Project, 70 per cent of the Scotford upgrader, and the Quest CSS project. Shell will maintain ownership and operation of their refinery and chemical plants in Strathcona County, in addition to their existing land holdings, and will continue to operate the Scotford upgrader and Quest CSS.

The 447 km Norlite Pipeline was completed and in-service in June 2017. The 24-inch pipeline is capable of shipping 270,000 barrels per day of diluent from the Enbridge Stonefell site to the Suncor East Tank farm near Fort McMurray, and has the potential to be expanded up to 400,000 barrels per day, with the addition of pump stations.

The Gibson Edmonton Terminal recently expanded to 1.7 million barrels of existing storage, with long-term potential to increase capacity by an additional 2 million barrels — subject to future market conditions.

The Kinder Morgan Base Line Terminal is a joint venture with Keyera Corporation. It is a crude oil storage terminal located on at Keyera’s Alberta Enviro Fuels facility in Strathcona County. The Terminal became fully operational in 2018 and provides 4.8 million barrels of capacity. There is potential for the terminal to expand its operations by another 1.8 million barrels in the future.

In February 2018, Wolf Midstream Inc. purchased the Stonefell Terminal, which is in the Heartland Industrial development area of Strathcona County, from MEG Energy. The Stonefell Terminal connects to the Access Pipeline System, of which MEG Energy also sold their 50 per cent stake in to Wolf Midstream, giving Wolf Midstream a 100 per cent ownership interest in the Access Pipeline.

MEG Energy will continue to operate Stonefell Terminal. The Access Pipeline (to be rebranded Wold Midstream Pipeline) transports oil from MEG Energy’s Christina Lake production project and to the Bruderheim Pipelines system which connects to the Bruderheim Energy Terminal rail facility. Wolf has also partnered with Enhance Energy Inc. to build the Alberta Carbon Trunk Line (ACTL), a 240km pipeline that transports CO₂ from Alberta’s Industrial Heartland to an enhanced oil recovery project near Lacombe, Alberta. The $500 million ACTL, to be owned and operated by Wolf, will allow for the removal of 14.6 million tons of CO₂ annually.

On track to invest $2 billion in an upgrading facility in Strathcona County, Value Creation Inc. and its wholly owned subsidiary Value Chain Solutions Inc., will create more than 2,000 construction jobs and another 200 full-time positions once the facility is up and running.

VCI’s leading-edge facility will upgrade diluted oil sands bitumen into a higher-value crude blend that can flow easier through pipelines. This provides significant cost savings to industry because it would reduce the need for diluent, while increasing pipeline capacity by up to 30 per cent, and providing access to more refineries around the world that cannot currently accept Alberta’s oil sands bitumen.

Construction of the Strathcona County-based project is already underway, with some foundational infrastructure in place and design work nearly completed. The plant is expected to be operational in 2022. Once completed, this would be the first commercial-scale partial upgrader in the world using this new technology, which VCI has been developing over several years.

In Strathcona County, YOU CAN strathcona.ca/youcanindustrial
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