

Alberta is Gearing Up for a New Oil Pipeline to Prince Rupert

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by [The Maritime Executive](#)



File image courtesy Trans Mountain

Alberta's top provincial leader believes that now that Canada has a growing national consensus on the need to fast-track seaborne oil exports, a privately-backed proposal to build a new oil pipeline from Alberta's tar sands fields to the port of Prince Rupert could be announced sometime this summer.

The oil industry is the province's economic mainstay, and its desire for export capacity has long been a source of friction with its neighbors. For years, activists and politicians in British Columbia opposed an expansion of the only pipeline system from Alberta to the Pacific - the Trans Mountain line - and the Canadian federal government finally nationalized the project to complete it (at great financial cost).

That existing 900,000 bpd line ends in a terminal in Burnaby, B.C., which is restricted to partial loads on small Aframax tankers because of draft restrictions in Vancouver's harbor. The tanker size limit increases transport costs.

Albertan exporters would rather have access to a deeper harbor, and Prince Rupert more than qualifies. It is the deepest ice-free natural harbor in North America, with a depth at the inner harbor entrance of 115 feet. This is deep enough to navigate a fully-laden VLCC, the most economical tanker class for long-distance trade.

At present, however, that would be illegal: Canada has a federal ban on large tankers in northern British Columbia's Inside Passage, one of the most remote and environmentally-pristine coastlines in North America. But with changing geopolitical winds and strained relations with Canada's biggest oil buyer, the United States, Canada's political leaders have reached a consensus agreement that diversified energy exports must now come first. This time, B.C. premier David Eby has raised only one objection: if a new pipeline happens, it must be privately funded.

That plan appears to be in the works. Alberta Premier Danielle Smith told Bloomberg that it is "probably weeks" before a private party puts out a proposal for a new pipeline to Prince Rupert. It would be "the most credible and the most economic of all of the pipeline proposals the private sector would consider," she told Bloomberg this week.

The last comparable proposal - Enbridge's Northern Gateway line to Kitimat, a small port in the Great Bear Rainforest - was rejected by Prime Minister Justin Trudeau in 2016.