



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

April 20, 2020

Russ Girling
President and CEO, TC Energy
450 - 1 Street S.W. Calgary, AB
Canada, T2P 5H1

Re: Ongoing Construction of the Keystone XL Pipeline

Dear Mr. Girling,

I am writing to convey my incredulity that amidst an unprecedented global public health crisis, TC Energy would put vulnerable Americans and its own workers at risk by continuing construction of the Keystone XL crude oil pipeline. At a time when millions are sheltering in place and forgoing their daily routines to try to stem the spread of the virus, it is simply unconscionable that TC Energy would risk the spread of COVID-19 to your own workers, to residents of rural communities, and to indigenous communities living close to active construction sites. As Comptroller of the City of New York and chief investment advisor to the New York City Pension Funds, long-term shareholders in TC Energy, I want to caution you that TC Energy's short-sighted decision to continue construction may carry long-term reputational and financial risk given potential legal liability associated with continuing construction.

There is no compelling reason to prioritize the construction of this pipeline, only slated to be completed in 2023, during the current pandemic. TC Energy's characterization of Keystone pipeline as an "essential project" seems both self-serving and nakedly opportunistic, especially as a sharp drop in oil consumption and the glut of existing oil reserves means that oil production and distribution has never been less essential. Local news reports indicate that TC Energy has been flying in pipeline workers and their families from across the country to construction pipeline sites during the month of March, even as the rest of the nation has moved to restrict movement and gird against the virus. Local communities, especially areas home to members of the Rosebud Sioux Tribe and other indigenous tribes, are rightfully concerned that construction sites could become vectors for infection. Already a number of parties have filed federal lawsuits seeking injections on construction.

TC Energy's focus on pushing forward with construction through the pandemic may owe to the pipeline's already precarious financial situation. On March 31st, Moody's Investors Service downgraded TC Energy's credit rating from stable to negative, citing the "the very high level of execution risk related to environmental, social and governance factors associated with the

Keystone XL pipeline project, which TC Energy has decided to move forward on.” Indeed, in order to move forward with the pipeline Keystone already has been obligated to seek billions in public sector investments and loan guarantees to make up for failing private sector interest in financing the project. The economic rationale for building out a \$13 billion dollar oil pipeline may be increasingly daunting to investors as the world accelerates towards a necessary transition towards renewable, carbon-free energy. TC Energy has also faced regulatory barriers, including the recent revocation of several permits necessary to construct river crossings.

I urge you to prioritize the health of your workers, indigenous communities, and residents living in proximity to construction sites by immediately ceasing construction on the pipeline. Doing otherwise would only serve to expose TC Energy to severe reputational risk and legal liability that will jeopardize the long term viability of your company.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. Stringer", written in a cursive style.

Scott M. Stringer
New York City Comptroller