2 Methanol Plants Planned For OR

ERIK OLSON, Associated Press

LONGVIEW, Wash. (AP) — Low natural gas prices are causing a boom in methanol manufacturing nationwide, and the Lower Columbia region should be quick to seize on the skilled jobs and tax revenue that the clean industry will bring.

That's the message from officials on the Gulf Coast, which is the center of the boom and has a long history with methanol production. Residents here should be thrilled that a Chinese company wants to build two $1.8 billion methanol plants in Kalama and Clatskanie, they say.

"With a plant like that, there are a lot of high-paying jobs and jobs that require an education. If you're in an area where children have left, or there's nothing keeping them there, this is a big shot in the arm," Jim Rich, president of the Greater Beaumont (Texas) Chamber of Commerce, said in a telephone interview last week.

Chinese-backed Northwest Innovation Works has announced that it wants to build twin plants at the Port of Kalama and Port Westward near Clatskanie.
Each plant would cost $1.8 billion and employ 240 workers each. The company hopes to start operating the plants in 2018 and expects to employ 1,000 at each site during construction.

For a region still struggling with double-digit unemployment, the plants could be a huge economic boost. But what sort of opposition will they encounter, especially in a region that's already in an environmental ruckus over coal and crude oil exports? Will methanol attract vigorous opposition, or will protests be tempered by the area's longing for economic growth — and methanol's reputation as a comparatively clean industry?

Environmental groups have yet to raise their voices. But that doesn't stop business leaders from worrying that critics will ignore the benefits of the project.

"I don't think they care. Most of them don't live here and they don't care if the Cowlitz County citizens work or not," said Ted Sprague, president of the Cowlitz Economic Development Council.

Methanol is manufactured by mixing natural gas with other chemicals. Northwest Innovation officials say the plants would run 24 hours a day and release trace emissions of both carbon dioxide, a greenhouse gas that contributes to climate change, and nitrogen oxide, which is also emitted by vehicles, power plants and off-road equipment. Stacks on top of the plant would spew steam, not thick smoke, company officials said.

The plants will not generate any train trips that could block vehicles. It will,

however, increase ship traffic to Kalama and Port Westward: 1.8 million tons of liquid methanol will be shipped out the Columbia River annually to an industrial park in China, which uses the chemical to make plastics.

While harmful to ingest, methanol dissolves easily in water. The chemical is highly flammable, and Northwest Innovation officials have met with fire officials to help develop safety precautions. Methanol, also known as wood alcohol, has a long history here, as it is a by-product of pulp and paper making.

Northwest Innovation officials say their plants will leave a green footprint. The Chinese industrial park in the city of Dalien currently buys methanol manufactured by burning coal, which spews at least seven times more greenhouse gases than using natural gas to make methanol.

"We are convinced that our product will be both good for the environment and good for the economy for the long term," Northwest Innovations Works President Murray "Vee" Godley told Port Westward commissioners during a presentation last month.

Regulators say they are reserving judgment until they actually see permit applications from Northwest Innovations. In Kalama, the company will need a shoreline permit, an air permit and stormwater permit from Washington agencies. Across the river at Port Westward, officials say they're seeking Oregon land use and stormwater permits and possibly shoreline permits from the U.S. Army Corps of Engineers.

Northwest Innovation officials say they are investigating both sites and haven't stated when they will file for permits.

Politically, Northwest Innovation, a partnership between the Chinese government and British Petroleum, has been shoring up a lot of support. Business and labor groups have both fallen in line, partly because Northwest Innovation says it will hire union contractors to build the plants. The company must, however, obtain permits from state agencies operating under the authority of Democratic Gov. Jay Inslee, who has spoken in support of green businesses and who is requiring an unprecedented level of environmental review of two Washington coal terminal proposals, including one in Longview.

Environmentalists so far have not use aggressive rhetoric against the methanol projects, and they're wrapped up in fights against coal and oil terminals in the region. Officials at Hood River, Ore.-based Columbia RiverKeeper insist that any new plant or refinery on the Columbia River "deserves a closer look," but they haven't offered any criticisms of methanol — yet.

"We're working to learn more about it," said Brett VandenHeuvel, the agency's director.

He did not respond to questions about whether his group would shy away from attacking methanol proposals to avoid the appearing insensitive to the area's desire for high-paying jobs.

In America's Southeast, environmentalists acknowledge that proposed methanol plants are likely to receive the permits to start construction. The plans have won a lot of political support because of the huge proposed investments and promise of high-paying jobs.

At the Port of South Louisiana, a New Zealand-backed firm recently received a crucial air quality permit from the state to start building a $1.3 billion dollar plant that has support from Gov. Bobby Jindal. Developers from a Dutch fertilizer company have restarted a mothballed methanol plant in Beaumont, La., and they plan to build a second billion-dollar plant in the same area.

In Louisiana, opposition has centered primarily around further expansion of an industrial area next to residential dwellers — an issue that Northwest Innovation won't face here — and air quality. While methanol plants aren't known to emit more toxins than other plants, environmentalists say that air pollution is accumulating from an growing number of factories on the Gulf Coast.

"They can make great attempts to preserve the environment. They still will have a ... negative impact," said Wilma Subra, a New Iberia, La.,-based environmental consultant and veteran activist said in an interview.

Industry analysts note that demand for methanol is growing in Asia, which will add pressure for more manufacturing capacity in the Northwest.
Most chemical plants are a double-edge sword: They offer higher-paying jobs and larger capital investment than other industries but are a greater risk because of spills or contamination. But methanol is among the cleanest of chemical plants, said financial analyst Marc Laughlin of Houston-based IHS Chemical.

"Of all the chemicals, this is probably one of the best to get in your area."

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