

New Progressive Alliance

The New Progressive Alliance at <http://newprogs.org/> urges you to oppose the proposed methanol refinery in Kalama, Washington. NWIW openly and demonstrably lied. Other reasons are increased pollution, increased utility costs for both electricity and natural gas, and because it is a bad business plan.

1. Northwest Innovation Works (NWIW) openly and demonstrably lied.

- NWIW misled your agency and the public about the purpose and impacts of the refinery as well as the project's upstream and downstream climate pollution.
- There is no evidence that the Kalama will displace Chinese coal. There is neither evidence nor an agreement nor even a Chinese statement indicating that this is true.
- NWIW ignores both the amount and potency of methane and fracking pollution.
- NWIW ignores credible scientific studies and instead uses imaginative discredited methods.
- NWIW ignores a whole range of information on fracking to rely on a single fracking area in British Columbia.
- NWIW (repeatedly) that the methanol would be burned in vehicles while all the time telling regulators and the public (repeatedly) that it was instead all for plastics. The difference is millions of tons of carbon pollution.
- The whole NWIW argument rests on the notion that Kalama methanol would "displace" dirtier forms of energy in Chinese and global markets. The displacement argument is based on the false belief that economic modeling can accurately predict global fuel markets, technology developments, Chinese consumer behavior, and regulations for the next 40 years. It should be especially clear in a turbulent year like this one that our models often cannot accurately forecast most of these things even for a single year. Further China is increasingly investing in renewable energy making the predictions even more questionable.
- NWIW would cause a huge amount of climate pollution. It would boost climate emissions "upstream" (from fracking and piping the gas), on-site (as the petrochemical refinery converts gaseous methane into the liquid petrochemical methanol), and "downstream" (from converting the methanol into plastics or vehicle fuel, and then burning that fuel).

2. Increased Pollution

- This would be the largest methanol refinery in the world.
- Methanol is flammable in liquid and gas states, and it is considered highly toxic to humans and animals. Just one gallon of spilled methanol depletes the oxygen from 198,000 gallons in the Columbia River.
- A Methanol Plant also produces waste that includes heavy metals, volatile organic compounds, various air pollutants, nickel, copper, and zinc oxide from the catalysts used in the refining process.
- Air pollution that includes carbon dioxide, carbon monoxide, nitrogen oxide, sulfur dioxide, volatile organic compounds, and fine particulate matter.
- They will burn 30 percent of the huge amount of natural gas used, adding to local pollution.
- The best-guess analysis shows that pollution caused by the facility would be equivalent to 4.6 million tons of carbon dioxide pollution each year. That means that this one project would be equal to around 5 percent of the state's total climate emissions from all other activities combined. Even worse various rates for gas transportation leakage rates, end-use for the methanol, time-frame for evaluation climate potency, and other factors show that it is possible the facility's all-in carbon

pollution could be as much as 9.4 million metric tons per year.

- Kalama methanol refinery's air pollution risk is massive. They propose to emit up to 53 tons (106,000 pounds) of toxic and hazardous pollutants into the air annually. By comparison, Emerald Kalama Chemical released six tons of toxic and hazardous pollution in 2015, according to the EPA.
- The plant also could emit up to 62 tons (104,000 pounds) of very fine particulate matter — dust and soot particles — annually. Fine particulate matter can enter into the respiratory system and cause long term health impacts.
- The plant would buy gas extracted by fracking. Specifically this plant would use at least 300,000 dekatherms of fracked gas per day (270,000 as raw material plus at least 30,000 for power generation) – one third as much gas as the entire state of Washington. Fracking, a dangerous technique for getting natural gas out of shale, has been linked to serious health risks, groundwater contamination, and other environmental impacts. Fracking companies refuse to even reveal the chemicals they are "fracking" with, nobody is monitoring the pollution to water and our aquifers, and nobody is factoring the release of methane as a GHG. Of the 750 chemicals that can be used in the fracking process, more than 650 of them are toxic or carcinogens, according to a report filed with the U.S. House of Representatives in April 2011. For more documentation on Fracking see "The Environment," #6, at

http://www.newprogs.org/the_environment_under_the_democratic_republican_uniparty

- The Kalama Refinery would be fed by a new 3.1-mile, 24-inch diameter natural gas pipeline that will divert natural gas from the existing Northwest Pipeline. The New Progressive Alliance in the below documentation shows the danger of transporting fossil fuel, especially by pipes. For documentation on transporting fossil fuels by pipes and other means see "The Environment," #14, at http://www.newprogs.org/the_environment_under_the_democratic_republican_uniparty

- For pollution the Methanol Refinery discharges 200 gallons of wastewater per minute. The Methanol Refinery would also make a huge demand on water resources, using more than 2,500 gallons of water per minute or about 4 to 5 million gallons a day for cooling and gas forming, 90 percent of which is consumed during the process or lost as vapor to the atmosphere. It makes no sense that Kalama sell off millions of gallons of its fresh water every day when farmers and fishermen have operated under emergency drought restrictions. For more documentation on the dangers to fresh water see "The Environment," #16, at

http://www.newprogs.org/the_environment_under_the_democratic_republican_uniparty

3. Higher Utility Costs for Electricity and Natural Gas

The Kalama Natural Gas to Methanol Refinery would use a lot of power which would be reflected in higher electricity and natural gas rates.

Methanol refining requires a lot of electricity. The plant would use 200 megawatts of electricity daily - equal to the amount of electricity used by ALL Cowlitz County residents. The plant would also use 1/3 as much gas as the entire state of Washington. These demands would increase gas and power costs for Washington residents and businesses.

4. Huge Taxpayer Costs

- The company is asking U.S. taxpayers to own the financial risk—up to \$2.1 billion—if the proposed methanol refinery fails.
- The Port recently applied for a \$11.5 million dollar federal BUILD grant to construct a massive dock in the Columbia River for NWIW's methanol ships, while the private company is pitching the US Department of Energy on a \$2 billion loan guarantee. See BUILD Grant Supporting Documents: 2018.6.26 Letter of support for Port of Kalama BUILD app 2018.4.27 Federal BUILD

Grant Announcement

- To feed the methanol refinery's massive water demand, the Port of Kalama asked the U.S. Department of Agriculture for a \$15 million low-interest loan to fund construction of an industrial well on the shores of the Columbia River. See USDA Loan for Well Supporting Documents: 2014.6.26 Port of Kalama Special Meeting Minutes 2014.8.27 Port of Kalama Meeting Minutes
 - According to a fiscal analysis prepared for the Washington legislature, existing tax loopholes will allow NWIW to avoid paying \$143 million in state and local sales taxes. NWIW successfully lobbied against legislation designed to close those loopholes. See Sales Tax Loopholes Supporting Document: 2016.2.24 Methanol plants could qualify for hundreds of millions in tax breaks, Tacoma News Tribune
 - NWIW is asking the U.S. Department of Energy for a loan guarantee. If NWIW goes bankrupt, the federal government could be responsible for paying some or all of the \$2.1 billion cost of building the methanol refinery. See DOE Loan Guarantee Documents: Credit Paper on NWIW Request for Loan Guarantee NWIW Presentation Reissue
- 6.
- NWIW gave the private investment firm Stonepeak the exclusive option to fund construction of the methanol refinery in exchange for part ownership. Much of the money Stonepeak would use to build NWIW's methanol refinery comes from Washington public employees' retirement investments. See WA Retirement Funds Document: 2016.12.14 Washington State Bets Retirement Funds on Fracked Gas, Sightline
 - The corporate owner of the project, Pan Pacific Energy, has already received between \$150,000 and \$350,000 in CARES Act loans. According to Propublica, the loan was to maintain 8 jobs, and it can be forgiven entirely under certain circumstances.

5. The Kalama Natural Gas to Methanol Refinery is a bad business plan.

Northwest Innovation Works, owned by the Chinese Government and British Petroleum, wants to build this Methanol Refinery even though it has never built or run a methanol refinery. Indeed, the proposed technology has never been used to make methanol commercially.

The plan uses America for cheap energy and to dump pollutants, ships methanol for thousands of miles overseas to China, and then China uses it to make plastics which are then shipped back across the ocean to the United States. Further China could also use methanol as a fuel source which would worsen climate impacts. The world methanol market has been oversupplied as recently as 2008 when many plants were just starting up. As China's economy cools, it remains obvious that profits are not sustainable.

Conclusion:

Consider the record of dishonesty by Northwest Innovation Works, total pollution, the higher utility rates, huge taxpayer costs, and the overwhelming evidence this is bad business plan. Then please oppose the proposed methanol refinery in Kalama, Washington.