

Mike Reuter

I am speaking here as an individual and not as the Mayor of Kalama.

This enclosed letter is from a natural gas engineer that echoes my concerns about the gas supply infrastructure and how the only way that this refinery will be able to operate if there is an expansion of the Northwest Pipeline.

Natural gas engineer says 'no' to Kalama methanol plant

By David Taylor Feb 14, 2017

I would like to start off by stating that I am opposed to the construction and operation of a Chinese funded methane to methanol plant in the Port of Kalama.

One thing that I have not seen addressed is the effect this plant will have on the long term economy of the Pacific Northwest — British Columbia, Washington and Oregon. The load being proposed in this plan appears to be 3.2 million therms of gas daily. To put that quantity in perspective, that amounts to slightly more than 50 percent of the most recent cold weather peak daily send out of the gas company serving the area from North Clark County to Roseburg, Oregon. The proposed plant would require that amount on a daily basis, 365 days a year, not just in cold weather periods

The issue that I think needs to be addressed is system capacity of the pipeline and the effect of this plant's load in relation to the existing system. In order to carry this added load to the residential customers for heating, industrial loads are cut back by contractual agreements. On a day-by-day basis the line runs at near capacity. The size of the load proposed would be a firm load and not allow curtailments based on the continuous process.

In order to serve the load adequately, it would be necessary to increase the capacity of the line. That would mean the construction of paralleling pipelines in certain areas and the addition of compressor stations to move the gas south to Kelso from the source in Northern British Columbia.

Not having access to the engineering data on the pipelines, I can only surmise that such a capacity upgrade may require an investment as much as the cost of the plant; at least several hundred miles of upgrades and several hundred million dollars and up.

Who will pay for those upgrades? Us the consumers. Williams' fee for transporting gas is based on their investment in the pipeline that they have to pay back to their lenders and an operating fee plus some profit. That fee is spread over all the users of the system. The methanol plant will pay its pro rata share based on the quantity transported and we as gas consumers in our homes will pay our share based on the new higher cost of operation.

The second reason that I do not want this plant built is that it will consume Northwest gas and send it to China to fuel their industry. In the ground, natural gas is a fixed quantity. Granted the fields are large and the quantities are large, but they are still finite. No additional gas is being added to those wells. The issue here is just how long will that supply last? Twenty years, 40 years? Who knows?

A look at the pipeline supply routes for gas to the Northwest are very sparse compared with the rest of the country. Our region has two and maybe three sources. Canada, in Northern British Columbia, and the Four Corners and Wyoming area. Fully 70 percent of the Oregon and Southwest Washington gas is Canadian sourced. Adding a plant with a load the size of a major city will have a definite impact on the life of the field. For me, the British Columbia gas is NW gas and should remain as NW gas. It should not go to China at our future expense.

For me, the British Columbia gas is Northwest gas and should remain as Northwest gas. It should not go to China at our future expense. I think not.

Editor's note: David Taylor is a natural gas engineer and has been involved in the location, design, construction and operation of a very large Natural Gas distribution system serving the Clark County, Portland Metropolitan, and Willamette Valley for over thirty years of his working career. He has forty-five years of Natural Gas Engineering.