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I am the mayor of Kalama but am speaking here as an individual.

This refinery is not feasible without a new pipeline.

The Kalama methanol refinery needs 320 million cubic feet of natural gas per day, the equivalent gas consumption of almost every major city in the N.W. combined. Yet, it does not have a contract for a single therm. With all capacity locked up into fully subscribed/contracted pipelines, how is NWIW going even to get this started? Which industry or utility company has the capacity or ability to give NWIW that much of this valuable resource? The following paragraphs are supporting this information.

SEPA Final Environmental Impact Statement

On page 7-2, section 7.3.2 of Kalama Manufacturing and Marine Export Facility September 2016
At this time, NWIW has not entered into contracts for the supply of natural gas to the proposed project.

The Power & Natural Gas Planning Taskforce July 2015

Westcoast pipeline is now fully contracted as N.E. B.C. producers have sought a market outlet for their growing production. In the last two years, Westcoast has run at its maximum available capacity nearly year-round (limited by maintenance restrictions).

N.W. Natural 2016 Integrated Resource Plan Chapter 1

Executive Summary 1.7

The case shows a resource deficiency of 30,000 Dth/day for the 2019–2020 winter, which grows to 270,000 Dth/day by 2035–2036. This resource deficiency is due to load growth, changes in peak day demand, and changes in the near-term resource stack while being partially offset by an increase in demand-side resources.

Pipelines remain at capacity.

While decontracting might be an issue for other pipelines, the situation is different in the Pacific Northwest. Capacity on Northwest Pipeline, which provides most of N.W. Natural's interstate capacity is fully contracted northbound through the Roosevelt Compressor station and fully contracted southbound through the Chehalis Compressor station.¹⁴ It is also anticipated that, as more electricity is generated using natural gas, existing pipelines will become even more constrained.¹⁵

The development of any high-pressure transmission pipeline on which the Company could acquire capacity will be primarily driven by one of these large load projects and secondarily by N.W. Natural and other regional loads.

Avista Corp 2016 Natural Gas IRP

Adding additional pressure to existing pipeline resources is the announcement of three proposed methanol plants in the region. The plants use large amounts of natural gas as a feedstock for creating methanol, which is used to make other chemicals and as a fuel. To date, the Port of Kalama is gaining ground in its approval process and is looking like the most probable of the three methanol plants and will take around 300,000 Dth/day in a region already constrained by pipeline deliverability. LDCs will have to compete with power generators, LNG exporters, and other large end-users for limited pipeline capacity. The new mix could alter current pipeline operations and the potential availability of infrastructure to the region.

Pipeline capacity is the link between natural gas and power.

nwnatural.com/AboutNWNatural/TheCompany/PipelineAndNewGasSupply/NeedForANewPipeline

Currently, N.W. Natural relies on a single transmission pipeline for about two-thirds of its natural gas supplies. That pipeline is nearly 60 years old and cannot be expanded easily. It frequently operates at its maximum capacity. The other pipeline serving our service territory is fully contracted out.

Inexpensive natural gas is attracting new manufacturing to the U.S. One enterprise has announced its intention to build two methanol plants at Columbia River ports and a third in Tacoma. Anyone of these would substantially add to regional gas demand; two or three would only be possible with the construction of more pipeline capacity.

Regional projections indicate demand for gas in the I-5 corridor will exceed capacity by 2020. If a significant petrochemical facility or other significantly large gas user starts up, this could occur even earlier.

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However, a large enough project, roughly over 150,000 Dth/day of demand (Kalama Methanol refinery would be 320,000 Dth/day), would likely need new infrastructure regardless of their preferred gas transportation type simply due to the high utilization of the existing pipeline systems. New load developments between Sumas and the Company's service territory might undermine the reliability of this service, especially if not accompanied by an equivalent capacity expansion of NWP's system and upstream infrastructure to get more gas supplies to Sumas