Diane Dick

2020 10 08 Comment #8

Washington State Department of Ecology
Olympia, Washington
Re: Formal Comments on Kalama Manufacturing and Marine Export Facility Draft Second Supplemental Environmental Impact Statement, September 2020

Please deny Kalama Manufacturing and Marine Export Facility (KMMEF) a shoreline substantial development and a conditional use permit. The environmental impacts from the project are significant and cannot be mitigated.

Why does this SSEIS devote about two-thirds of the intended greenhouse gas analysis on an economic study, and poorly done at that?

"Economic Analysis: A market-based evaluation was conducted to assess whether methanol produced by the project would substitute for or replace other sources of methanol, rather than supplement them." SSEIS p. 38

According to Washington law and Department of Ecology website the purpose of SEPA and environmental impact statements is to identify and analyze environmental impacts. This begs the question why more consideration was not given to identified GHG emissions. Fugitive and transportation emissions from a long pipeline route are not analyzed. Emissions from operation of the KMMEF marine dock are ignored. There is no substantiation of low emission claims from the ULE process itself, despite the ULE process being untested on a huge industrial scale and results from the Coogee ULE facility contradicting such low emission claims.

Yet this SSEIS goes into mind boggling detail, or perhaps obfuscation, to guess what methanol markets will look like in forty years to support a result intended to make Kalama methanol look like the cleanest and most competitive methanol on the planet.

The most obvious economic question might be, if NWIW's ULE methanol process is so wonderful then why aren't other methanol producers replicating it? Especially the big players in the market, like Methanex? After all, the technology has been around for more than twenty years. If no one else is using it, the logical course would be to find out why not? Could it be the most forward-thinking methanol producers are moving to LCM, low carbon methanol, and fossil free renewable gas feedstock?

Why does the economic analysis not mention NWIW's parent company GTM's intentions to produce methanol in British Columbia, closer to gas feedstock producers?

Financial advisors have a fiduciary responsibility to advise that past performance is no indication of future returns when it comes to investment risk. Yet this SSEIS seems to have no doubt about the reliability of their future assumptions in drawing a conclusion.

Indeed, there is not even past performance when it comes to Northwest Innovation Works. It is a paper LLC created in January 2014 to pursue a speculative venture. A major investor, British Petroleum, pulled out within a year after the price of oil dropped precipitously making the economic viability of the venture too risky. The principals have no credible background in petrochemicals. President Vee Godley was previously involved in the failed Hoku silicon plant in Idaho.

While supporters complain vociferously about the lengthy permit process, NWIW has never produced complete financial and facility plans. They have claimed much, yet never revealed the project would be the world's largest methanol refinery. One would think this might be a selling point for a worthy project.
The original idea was to use the CR process and not more than 36 MW demand from the power grid. This got changed when they realized the air pollution controls from burning so much natural gas for power generation was too costly.

Then there was the issue of wastewater disposal and impingement on shorelines and wetlands.

When they were caught hawking the project to investors as producing methanol for fuel instead of the stated purpose as plastic feedstock, they needed another port lease amendment.

NWIW was promoted as producing taxes and jobs. Yet the port agreement only requires 80 permanent jobs, less than one job per acre of waterfront industrial property. NWIW has lobbied the legislature for tax benefits. The project has applied numerous times for federal tax dollars to build the dock. It has applied for a two-billion-dollar federal loan to build the refinery.

The tax benefits and two billion loan should be considered in the SSEIS economic analysis considering the implications such subsidies might have on relationships with global trading partners, if the state subsidies to Boeing are any indication.

After more than six years of experience with Northwest Innovation Works, please heave this project overboard. It is a risky financial investment and a sure route to environmental and climate degradation.

Thank you,

Diane L. Dick
Longview