

Mike Reuter

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

I asked David Taylor if I could send his letters of concern to the Department of Ecology to help show that thousands of workers and businesses that depend on this one natural gas pipeline are at risk if this refinery gets built. This is the second one that he had sent as an op-ed to The Reflector.

Opinion: Methanol plant isn't all it's cracked up to be
David Taylor Feb 8, 2019

I am opposed to the construction of the Kalama methanol plant on the basis of its impact on the Northwest's supply of natural gas and how it would impact the Northwest economy.

Energy is one of the keystones of a vibrant and growing economy. This project would have a significant negative impact on long-term growth and stability of the economy. The amount of gas to supply the operation of this plant is equivalent to the send-out of any of the four natural gas local distribution companies (LDC) serving Western Washington and the Willamette Valley.

The plant would consume 320 million therms of natural gas daily from the existing transmission line from the wells in Canada via a Canadian pipeline to the U.S. border and by the Williams pipeline through their transmission line to the local distribution companies in Oregon and Washington. A residential equivalent for heating is approximately one therm an hour.

Consider also all of the businesses and industries using gas. Through peak heating periods there is not enough capacity in the existing transmission lines to serve all of LDC's needs, for this reason they use peak shaving storage such as LNG or depleted natural gas wells that are refilled each summer to augment the pipeline supply. Flow in the line is relatively steady throughout the year because of this ability to replenish storage supplies closer to home.

Job creation has been a point that proponents of this plant have used. The Kalama plant would have an employment base of just over 100 employees in operation. More during construction, but that is short when compared with the operating life of this plant. Consider also that the plant will be of Chinese design and similar to the 11 other plants they have built around the Pacific Rim. While the civil works for this plant will be built here on site, the reforming equipment will be designed and built in China and barged to the Kalama site. Thus not all of the 2 billion dollars this plant is supposed to cost will be spent here. If built in China the labor rates are substantially lower. The plant will also have to meet Washington requirements of the heat and pressure equipment.

One of the biggest problems I see is the increased demand on the pipeline capacity all the way to the source. That means new pipelines and compressor station facilities will be required. Those costs will surely be passed on to us in the forms of increased transportation rates. Secondly, is the growth and development of new industry in the face of the possible constraints on the pipeline imposed by this plant? Industry will not develop or expand with an unsure energy supply, either at the well head or in transmission. Industry growth is what stimulates residential and commercial development. Problems in energy supply will chase the development elsewhere. Note here also that this plant,

besides producing a paltry 100 jobs, does not contribute tax revenues to Washington. The gas is purchased in Canada and owned by the Chinese when it crosses the border and as an export product it is not subject to a sales tax. Furthermore, Cowlitz County is proposing significant property tax reductions for the plant. In effect we will be giving the Chinese a free gift. In the meantime, we will reduce our long term supply at the wellhead by about one third.

I would like to see an independent study on the economic impact of this plant on the entirety of the Northwest economy. My expectation is that the study will show that negative impacts of this plant far exceed its benefits.

About the author

David Taylor moved to Ridgefield in 2005 and presently serves on the Ridgefield City Council. Taylor has 45 years of natural gas engineering experience.