

OIL AND GAS

Judge voids permits for Columbia River methanol plant

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A judge yesterday voided permits needed for a massive methanol plant on the Columbia River in southwestern Washington state, agreeing with conservation groups that the project needs a more thorough environmental review.

The Army Corps of Engineers had granted the permits for the construction of an export facility that is part of a \$2 billion NW Innovation Works plant proposed in Kalama, Wash. The plant would take natural gas from Canada and convert it into methanol, which would be shipped to China to make olefins — compounds used in everything from fabrics and contact lenses to iPhones and medical equipment.

Conservation groups including Columbia Riverkeeper, the Sierra Club and the Washington Environmental Council challenged the permits in U.S. District Court in Tacoma, Wash., saying the Army Corps conducted only a summary review that failed to account for the project's full environmental effects.

U.S. District Judge Robert Bryan in Tacoma agreed, **ordering** the agency to conduct a full environmental impact statement as required by federal law. He also told the Army Corps to assess whether the project is in the public interest, but he rejected their argument that further review was needed under the Endangered Species Act.

"It's absurd to think that a massive fracked-gas refinery wouldn't pose a catastrophic risk to the fragile Columbia River ecosystem," Jared Margolis, a senior attorney at the Center for Biological Diversity, said in a news release. "These dirty fossil fuel monstrosities only accelerate climate change, and we can't continue to allow companies to pretend otherwise."

NW Innovation Works, which is backed by the Chinese government, has said the project will create 1,000 well-paying jobs and generate \$30 million to \$40 million in annual tax revenue. The company also says it will offset any emissions produced directly or indirectly in Washington state as a result of its project.

"We've been at this now for almost seven years, and the ongoing support of the Kalama community and the labor community means so much to us," said Vee Godley, the company's chief development officer, said in an emailed statement. "We think this is a project that deserves to go forward on the merits. To the extent more process is found to be appropriate and necessary to robustly inform regulators and the public, we will participate fully and see this process through."

The ruling was the latest setback for the project, which if built would be one of the world's largest methanol plants. Last year, the Washington State Department of Ecology demanded additional environmental analysis, saying that after five years of planning, its backers had failed to provide enough information about its greenhouse gas emissions and how they would be offset.

The results of that additional review came out in September, confirming the facility would be one of the 10 largest sources of greenhouse gas emissions in the state. The state Ecology Department determined that despite the company's insistence that its product would be used in plastics production — not burned for fuel — increasing the global supply would in fact lead to more methanol being burned for fuel.

That said, it also found that making methanol at the plant would be more efficient than making it from coal or some other sources — an argument that the project's backers, including the Port of Kalama, have emphasized.

Ecology is weighing whether to approve the project. — *Gene Johnson, Associated Press*

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