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Bobby Jindal, Plaquemines Parish tout \$1.2B methanol plant; environmentalists raise concerns

CCI and Governor Jindal announce methane plant coming to Braithwaite

Governor Bobby Jindal announces that Castleton Commodities International LLC (CCI) is building a methane manufacturing plant in Braithwaite during a press conference with CCI CEO William Reed, II, left at the Belle Chase Auditorium

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Gov. **Bobby Jindal** on Friday announced Connecticut-based **Castleton Commodities International's** plan to build a \$1.2 billion methanol manufacturing plant on the Mississippi River in **Plaquemines Parish**.

The Braithwaite plant would produce about \$1.8 million tons of methanol per year, or 5,000 metric tons of methanol per day, using natural gas as the key feedstock for production, said Castleton Commodities CEO **Bill Reed**.

The announcement comes as global demand for methanol continues to grow and "the U.S. can produce substantially more natural gas than it can currently consume," Reed said.

Local officials lauded the announcement. One environmental group, the Gulf Restoration Network, raised concerns about building the plant in an area where hurricanes are a concern.

Reed said the plant would create 50 permanent jobs with an average salary of \$72,000. Jindal said the **Louisiana Economic Development's Office** estimates that the plant would create an additional 291 indirect jobs and 1,000 construction jobs.

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The merchant trading company, headquartered in Stamford, Conn., is expected to begin construction in 2016 and take about two years to complete.

Castleton Commodities bought the 387-acre, former AMAX Nickel site in **Braithwaite** about three years ago, according to Castleton Commodities vice president Brad Burmaster. The location sits along roughly 5,000 feet of the east side of the **Mississippi River**, a mile south of Stolthaven and its southern border ends at the Belle Chasse - Scarsdale ferry landing.

Burmater said they company would elevate the plant about 12 feet "to manage through hurricane season."

State Rep. **Ray Garofalo**, R-Meraux, said the fear of flooding, and wrong impressions that Plaquemines and St. Bernard parishes are still flooded from Hurricane Katrina in 2005, at times keep businesses away.

"Every time a new business comes it, it shows the world that we are not flooded and we are open for business, Garofalo said. "If it's on the east bank of Plaquemines, it is going to benefit St. Bernard too."

In terms of environmental impacts, Garofalo said while he had not yet spoken with area residents, he plans to. When asked about any environmental impacts, Reed, in part said, "There are challenges to any industrial products," but that "methanol is just wood alcohol."

"It is not on the scale of things a dangerous chemical.... We are not talking about particularly noxious chemicals, and we are using the most thermally efficient process - the amount of heat that is coming off will be as low as it can possibly be," Reed said.

The Gulf Restoration Network, however, said it was concerned about the chemical industry expanding in areas where storms can cause problems.

"We continue to be concerned with hazardous waste facilities that are placed in the way of the storms. The residents of Plaquemines Parish are asked to prepare for hurricanes, but industries are not," said Scott Eustis, coastal wetland specialist for the group.

He alluded to a release of toxic chemicals at the Stolthaven New Orleans petroleum and chemical storage terminal in Braithwaite during **Hurricane Isaac** in 2012. Stolthaven was required to build a large wall around its tanks after the incident.

"Will Castleton be a good neighbor and protect their assets with a wall before they are forced to?" Eustis said.

To attract Castleton, Louisiana offered economic incentives including the industrial tax exemption program, which allows companies to pay no property taxes for a decade, and the Quality Jobs program, which provides a 5-or-6-percent cash rebate of annual gross payroll for new direct jobs for up to 10 years.

Reed said his company was attracted to Louisiana because of its "favorable business environment," "its proximity to major transportation infrastructure," and its "outstanding skilled-labor pool."

He said they mainly would be transporting the methanol by ship, but also on trucks and by rail.

Jindal talked about his children and how their grandchildren are fortunate to have them still in Louisiana, but how many grandparents aren't as fortunate, as their children leave Louisiana to find jobs in other states.

"Their grandparents can't watch them play. They only see them during Christmas and the holidays," Jindal said.

He said projects, such as the new methanol plant, help "our kids stay home."

"I have told you all time and time again, my number one priority is to make Louisiana a business friendly place," Jindal said.

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