

Gulf coal exports grow as Northwestern U.S. shuns terminals

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Plaquemines Parish resident Linda Ramil has removed coal dust for years from her furniture, yard and car. She lives near Kinder Morgan's International Marine Terminal or IMT, which ships coal from Myrtle Grove on the Mississippi River about 45 miles southeast of New Orleans. After Ramil and others filed a 2008 class action suit against Houston-based Kinder, the company eventually assisted with their cleaning and installed equipment to reduce dust at IMT. But that isn't enough, neighbors and environmentalists say.

Coal capacity has grown at IMT and in nearby Davant at United Bulk Terminals, run by Oiltanking based in Germany. In the same part of Plaquemines, a RAM Terminals coal facility—backed by Armstrong Energy in Missouri—could open in Ironton in the next year or so.



Dust from Kinder Morgan's coal terminal clouds

Highway 23 in Myrtle

Grove.

Courtesy of Bryan Ernst

Last week, environmental researchers Sightline Institute in Seattle, Washington released “The Facts about Kinder Morgan” by the group's policy director Eric de Place. The report focuses on the company's U.S. coal activities, including its expansion in the Gulf. Kinder, operating pipelines and terminals, is North America's biggest energy-infrastructure company.

What's driving Gulf coal exports by Kinder Morgan and others? Domestic demand has declined in a switch to cleaner fuels, and U.S. producers are relying on India, China and Europe to pick up the slack. Pacific Northwest residents have resisted export terminals while the Gulf Coast has made less of a fuss. Louisiana produces petcoke from oil refining yet mines little coal. The Pelican State, however, is a key part of Kinder Morgan's coal export strategy, de Place said last week. With an eye to overseas markets, Kinder Morgan spent \$162 million

recently to expand its IMT site, where capacity has swelled from 5 million tons of exports in 2010, he said.

Last week, Kinder Morgan spokeswoman Sara Loeffelholz said 10 million tons of capacity has been added to IMT in Myrtle Grove since 2013.

In recent years, Kinder Morgan negotiated new deals with mining companies, de Place said. An agreement was inked with Peabody Energy in St. Louis, Missouri to use Kinder's Gulf terminals, including those in Houston, to export 5 million to 7 millions tons of coal yearly through 2021 from Powder River Basin in Wyoming and Montana and from the Illinois Basin.

Coal barged down to Myrtle Grove is piled on land before transshipment. "Kinder Morgan's IMT is a serious, ongoing source of pollution," mainly from coal dust, de Place said. "Aerial photos show plumes of coal- or petcoke-polluted water spreading from IMT's barges and docks into the Mississippi River." Residents have photographed the site's dust clouds from the ground.

IMT has been unable to weather major storms, de Place said. Photos taken after flooding from Hurricane Isaac in 2012 by the Gulf Restoration Network in New Orleans and Louisiana Environmental Action Network in Baton Rouge reveal piles of coal in blackened waterways and along the river. Wetland greenery is stained black. Linda Ramil said that during Isaac the land under her raised home was flooded with sludge containing coal dust.

After settling the 2008 suit with residents, Kinder Morgan was slow to install equipment at IMT to reduce coal dust pollution, de Place said. "Until last year, locals reported that the firm failed to live up to the agreement fully and had opted to mail monthly checks to cover the cost of washing coal dust off homes and cars," he said. Ramil said she received a series of \$300 checks per month from the company. "They provide cleaning now but the workers don't necessarily come when you need them, so we still do a lot of it ourselves," she said last week.

Early this year, air monitoring in Myrtle Grove registered potentially hazardous particulate matter. That was under a year-long project, led by executive director Denny Larson of Global Community Monitor in California and New Orleans organizer Devin Martin with the Sierra Club's Beyond Coal Campaign. "These particles were small enough to embed in lung tissue," de Place said. An air sample taken from an area about 500 yards from IMT showed fine particles in concentrations that the World Health Organization considers dangerous if sustained over a long period, he said.

"What's particularly worrisome is that high levels of PM10 are usually found in urban areas with a lot of freeways," Larson of Global Community Monitor said. "Our results, since they came from a relatively rural area, raise a very red flag. They point a finger directly at the coal facilities, with their large piles of uncovered and uncontrolled coal." Particulate Matter or PM10 pollution consists of tiny solid or liquid particles floating in the air.

What does Kinder Morgan have to say about its Plaquemines site? "IMT is in compliance with the Louisiana Department of Environmental Quality air permit issued for the facility," Kinder Morgan spokesman Richard Wheatley in Houston said last week. In the last several years, IMT has taken a number of initiatives to mitigate coal dust, and has installed a new water sprinkler system for coal piles; a modernized conveyor systems to transport coal from landside to vessels, with covers and enclosed hoppers; pans under conveyors with pumping systems; and dock containment or protection to prevent coal and dust from entering the water.

IMT also started using a water truck and a 4-to-6-man crew dedicated to dust suppression in areas not covered by its new water sprinkler system. "In addition, IMT stepped up an outreach program to keep parish residents

better informed about the terminal's activities," Wheatley said.

When asked where coal from the IMT terminal is headed, Wheatley said the company doesn't comment on destinations because that's proprietary customer information.

As for RAM's planned coal terminal in Ironton, "it has a current water certification and construction stormwater permit," spokesman Gregory Langley with the state's Department of Environmental Quality said Thursday. "They have air permits that were issued in 2012 but were tied up in legal action. However, I heard last night that the First Circuit Court of Appeals has upheld the district court's decision in the RAM lawsuit. So the air permits issued by DEQ are valid."

"As far as I know, RAM hasn't begun construction on its facility," Langley said. The U.S. Army Corps of Engineers last month issued the RAM site a permit under section 404 of the Clean Water Act.

The Plaquemines Parish Council was scheduled to vote on whether to approve building permits for the RAM terminal on the evening of Dec. 11, after this article went to press. "We expect the decision to be in favor, and we believe that would be irresponsible since much of the community near the terminal has expressed opposition to it," Austin, Texas-based spokeswoman Nancy Nusser with the Clean Gulf Commerce Coalition said last week. The coalition includes Air Alliance Houston, Gulf Restoration Network, Louisiana Environmental Action Network, Public Citizen, the Sierra Club and SouthWings.

Coal reaches Plaquemines Parish by barge now. But the New Orleans & Gulf Coast Railway might be used to supply terminals there in the future, possibly running long, uncovered trains from Gretna down to Myrtle Grove. Residents of Jefferson and Plaquemines parishes are concerned dust will fly from those cars.

"Kinder Morgan's petcoke operations in Houston are so dirty that even the firm's promotional literature shows plumes of black dust blowing off its railcar loading equipment," de Place said.

Kinder Morgan's best coal-export prospects appear to be from the Gulf Coast now, de Place said. The company has spent nearly \$400 million building and expanding capacity at IMT in Myrtle Grove and its two Houston terminals. "Once these expansions are completed, Kinder Morgan will be able to export 28 million tons of coal annually from this trio of terminals—more than five times as much as its capacity there in 2011," he said. But de Place cautioned that many of Kinder's coal-handling sites, including those in Oregon, Illinois, Virginia and South Carolina, are rife with pollution, raising questions about its commitment to health, safety and the environment.

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