Louisiana Department of Environmental Quality

Koch Methanol St James, LLC

Air Significant Permit Mod & Initial PSD Permit

Public Hearing * August 31st, 2023 * St James Parish

Josh Wiggins Remarks, Plant Manager, Koch Methanol St James, LLC

Good evening. My name is Josh Wiggins. I am the Plant Manager for Koch Methanol St. James.

First off, I would like to say thank you to the LDEQ Public Participation Group for organizing this public hearing. I would also like to say thank you to all the community members in attendance for taking the time to engage in the public participation process. I am here this evening to provide information regarding Koch Methanol St. James, what we refer to as our Optimization Project, and the air permit application that we filed with the LDEQ.

Koch Methanol St. James, or Koch Methanol for short, owns and operates a world class methanol plant and terminal that produces and distributes refined methanol. Koch Methanol acquired full ownership of the plant in December 2020 and the plant began producing methanol in 2021. Our facility is located between HWY 3127 and River Road on the West Bank in St. James Parish at 6586 HWY 3127. We use state-of-the-art combined reforming technology that allows us to produce methanol safer, cleaner, and more efficiently than facilities using

traditional methanol manufacturing technologies. Through our Stewardship Framework, as we refer to it, we are committed to manufacture methanol in a manner that is safe for our employees, the St. James community, and the environment, all while utilizing the fewest resources.

Methanol is an essential building block that supports a global economy and is used to manufacture products we all use in our daily lives. The methanol that we produce here in St. James Parish goes into everyday household items here at home and around the world. These items include plywood, building materials, fabrics, cosmetics, paints, and adhesives. Methanol is a key component of medical equipment such as gloves, masks, and pharmaceuticals. It is also being used as an emerging lower emissions alternative to fuels traditionally used in vehicles and marine vessels.

We are a proud member of the St. James community. We live and work here, and we are committed to a long-term partnership with this community and parish. To meet growing demand and to remain competitive, we are pursuing a collection of projects that will optimize our existing methanol plant. These optimization efforts, which we collectively refer to as the Optimization Project, are aimed at ultimately growing the plant's methanol production capacity by 25%, from 4,950 to 6,200 metric tons per day of methanol. The Optimization Project will include improving the plant's raw material feedstock by adding ethane to the existing natural gas feed, upgrading plant cooling equipment, and other upgrades such as changing

piping configurations and improving process monitoring. Most of these upgrades will occur within the existing plant footprint.

This project represents a capital investment of approximately $150 million dollars. In addition to the capital investment, the project will bring an increase in tax revenue to Louisiana and St. James Parish in the form of property, inventory, franchise, and sales and use taxes. Koch Methanol currently pays St. James Parish approximately $1.1 million per year in taxes. This investment represents a revenue increase for the parish of approximately $3.9 million in property taxes over the next 10 years and approximately $2.3 million in sales and use taxes from machinery and equipment purchases. We estimate that the project will increase our employee headcount by adding 2 to 5 full time employees. It will also help us maintain the existing 114 full time employee base that currently supports the site, more than 25% of whom live right here in St. James Parish. Additionally, during the construction of the Optimization Project, up to 400 temporary jobs will be created.

The economic benefits of the Optimization Project go hand in hand with our continued commitment to being an active member of the St. James community. Optimizing our existing methanol plant will allow us to further our support for the community in meaningful ways by continuing to focus on education, community enrichment, entrepreneurship, and the environment.

Over the last few years Koch Methanol has supported numerous community efforts. The following are just a few examples of these efforts:

- We provided six River Parishes Community College Scholarships to St. James residents,
- We participated in St. James High School Oak Tree and Magnolia Tree planting,
- Partnering with Junior Achievement, our employees volunteered to teach economic concepts to St. James Parish elementary students,
- We provided ice, tarps, food, water, and vital supplies as part of Hurricane Ida relief efforts, and
- We helped clean up litter throughout the parish and provided reusable water bottles for the Keep St. James Beautiful event.

Koch Methanol is a true partner with this community, and we are excited to continue our support here in St. James Parish.

To gain the necessary authorization to construct the Optimization Project, we submitted an air permit application to the LDEQ last November. We did so only after engaging the community through an open house and other outreach to provide information about Koch Methanol and the Optimization Project and, most importantly, to listen and receive feedback. In fact, this public hearing is being held at the request of Koch Methanol as we continue to work to ensure that our community remains informed and is provided multiple opportunities for input. I will discuss our efforts to ensure meaningful community engagement in more

detail, but first I want to discuss the permit application and how Koch Methanol approached the permitting of the Optimization Project.

We submitted an application for both a Title V Significant Modification and initial Prevention of Significant Deterioration, or PSD, permit. We did this even though a PSD permit was not actually required for the project under the LDEQ's EPA-approved PSD regulations. We also took a conservative approach by addressing the entire facility rather than just the Optimization Project itself. By doing so, we have demonstrated that following the Optimization Project the entire Koch Methanol facility will utilize best available emissions control technology. We have also shown that the facility will not contribute to the significant deterioration of air quality.

More specifically, our PSD permit application included a demonstration showing how NOx, CO, particulate matter, VOC, and greenhouse gas emissions from the facility are controlled by Best Available Control Technology, or BACT. Some examples of the BACT Koch Methanol uses to control air emissions include:

- utilizing Selective Catalytic Reduction and Oxidation Catalyst on both our Boiler and Reformer,
- minimizing fugitive piping component leaks through implementation of a Leak Detection and Repair Program, and

- utilizing floating roofs to control methanol emissions from our product storage tanks.

Under the PSD permit, we will also comply with carbon intensity limits to ensure greenhouse gas emissions are minimized through efficient operations.

Additionally, BACT is reflected by emission limits in the permit, and in many cases the site demonstrates compliance with these limits by utilizing continuous emissions monitors or by conducting periodic stack tests.

In addition to the BACT demonstration, our PSD permit application included an Air Quality Impacts Assessment that utilized computerized air dispersion modeling of the site's potential emissions to ensure that, following the Optimization Project, these emissions will not cause or contribute to an exceedance of any National Ambient Air Quality Standard. These standards are set by the EPA at levels that are protective of public health and the environment. Like the BACT analysis, Koch Methanol conservatively considered the entire Koch Methanol facility emissions, not just the emissions increase from the Optimization Project.

The Air Quality Impacts Assessment also included ambient air modeling of methanol and ammonia emissions increases from the project. The assessment demonstrated that these emissions will not contribute to exceedances of the ambient air standards established by the LDEQ.

An Environmental Assessment Statement, or EAS, was also conducted as part of the application. The EAS demonstrated, among other things, that the social and economic benefits of the Optimization Project outweigh any environmental impacts of the project. This is due to two important factors:

- First, environmental impacts have been largely avoided and minimized to the maximum extent possible.
- Second, the social benefits realized through our investments in the areas of education, community enrichment, entrepreneurship, and the environment are significant.

In addition, the community will realize economic benefits from the project, through job creation, labor income and tax revenue during project construction and continued Koch Methanol facility operations.

Most of you are likely familiar with the term Environmental Justice. But, for any of you who are not, Environmental Justice is defined by EPA as "The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies." When thinking about that definition, there are two components of Environmental Justice, fair treatment, and meaningful engagement. The EAS we submitted with our air permit application included an environmental justice assessment that detailed Koch Methanol's substantial efforts to ensure meaningful engagement with the community prior to and throughout this permitting effort. It also demonstrates

our efforts to ensure the fair treatment of all community members by avoiding adverse impacts.

Our efforts to promote and ensure meaningful engagement began more than a year ago. Prior to submitting our air permit application, we sought out meaningful community input through several different forums so that we could take community concerns and interests into account as we prepared the permit application. Specifically, before submitting the application, we held multiple focus group meetings with residents of St. James Parish and the 5th District. We also held a parish-wide Community Outreach Event last August so that we could listen and receive feedback regarding our facility and the project and incorporate that feedback into our application. Our community told us they wanted to know more about our site, wanted to have input into what we do at the facility, and wanted to know more about what is in the air we are breathing. Based on this input we formed a Community Advisory Board to foster regular and sustained engagement between our community and Koch Methanol. These engagements have also become a venue to share the results of monitoring performed near the Koch Methanol facility by LDEQ using its Mobile Air Monitoring Lab, or MAML. Based on community input and as reflected in the draft permit, we have also committed to install fence line monitoring. To help drive transparency, we will continue to post information about our permitting efforts on our Koch Methanol website at www.kochmethanol.com.

Further, we used EPA's EJScreen tool to conduct the environmental justice analysis included in the EAS. Based on the EJScreen report, detailed analyses of several key EJ Indexes, including air toxics cancer risk, were performed to evaluate potential Koch Methanol facility specific impacts. Here again, we did not limit the analysis to the Optimization Project but instead considered the entire facility. Those analyses, which were based on the review of data from EJScreen, facility-specific air modeling, and other facility characteristics indicate that the Koch Methanol Facility will not cause adverse impacts either directly or cumulatively considering existing conditions surrounding the facility. Through all of these analyses, engagements and assessments, I am confident standing here today that through this permitting process Koch Methanol has taken measures to ensure that all members of our community are treated fairly and have been provided the opportunity to be meaningfully involved.

In closing, since the start of operations, Koch Methanol has looked to set the example of what a good industry partner looks like in the St. James community. We are proud to be a part of this community and are committed to being the Industrial Partner of Choice to St. James for years to come. On behalf of our 114 Louisiana employees, we thank the LDEQ, and those community members here tonight, for your commitment to St. James Parish and our community. We are honored to be your local partner.