

## **LyondellBasell's Channelview facility to restart after shutdown: sources**

Platts.com, 28th Sep 2018

LyondellBasell began restarting operations at its Channelview, Texas, complex Friday, two days after a loss of steam resulted in the shutdown of several units, sources said.

The units in restart mode include the methanol, methyl tertiary-butyl ether and alkylate operations, sources with knowledge of operations said.

Operations at the complex are expected to normalize in the next few days, the sources said.

The shutdown, which resulted in controlled flaring for at least three hours Wednesday afternoon, was the result of a loss of steam and power supplied by a third party, LyondellBasell said previously.

The company did not reply to a request for comment on the restart Friday.

The Channelview facility has a methanol capacity of 780,000 mt/year, an MTBE capacity of 525,000 mt/year and an alkylate capacity of 11,250 mt/year.

LyondellBasell produces methanol to manufacture MTBE, a gasoline blending component used to boost octane levels.

MTBE is a gasoline blending component that is not used in the US, but is exported to emerging markets, with Mexico as the top export destination.

A prompt FOB USG MTBE trade for 54,000 barrels was heard Thursday at the S&P Global Platts FOB ARA marker plus 10 cents/gal (244.45 cents/gal or \$868.78/mt) for September 30-October 2 delivery in the Houston area, sources said.

On Friday, Platts assessed US MTBE at 246.60 cents/gal FOB USG, up 5.15 cents day on day, with the premium to European pricing talked slightly higher because of the outage in an already tight market.

In other fixtures, the Reliance II was heard fixed for 38,000 barrels of MTBE for loading September 28-30 from the US Gulf Coast to Venezuela, according to Platts shipping data.

Texas alkylate barges were talked lower Friday in sympathy with the expected return to production of the Channelview unit.

Barges of 50,000 barrels each for early October on an FOB Houston basis were talked at pipeline 87-unleaded gasoline plus 20.5-21 cents/gal, compared with an assessment of plus 22.5 cents/gal Thursday.

Houston alkylate has been rangebound between 22 cents/gal and 26 cents/gal above pipeline gasoline since September 6, with little trading heard amid unfavorable blending economics.

An Asia-origin cargo of the blendstock aboard the Kouros was west of Acapulco, Mexico, on Friday morning and was bound for the Panama Canal, according to Platts cFlow trade flow software. Sources expect the cargo to be sold into the Gulf Coast market. The ship sailed from Chiba, Japan, on September 8.

US spot methanol pricing closed the week at 119.50 cents/gal (\$397.94) FOB USG, up 0.5 cent day on day and 1 cent/gal since Wednesday.