

Indorama receives air permit for restart of Louisiana ethylene plant

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Indorama Ventures Olefins has received an air permit for the restart and repair of a dormant ethane cracker near Lake Charles, Louisiana, parent company Indorama Ventures said Monday.

The permit will allowed the company to proceed with the refurbishment of the cracker and will allow for the construction and repairs to start one month ahead of the initial schedule, Indorama Ventures added.

"Ethylene from the cracker will feed the production of MEG (monoethylene glycol), which is used to make PET (polyethylene terephthalate), Indorama Ventures said in a statement. "When complete, Indorama Ventures will become the most vertically integrated PET producer in North America."

In late September, the Louisiana Economic Development Board made an announcement indicating the scope of the project and its cost.

"LED began project discussions with Indorama Ventures in April 2015," Indorama Ventures said. "To secure the project, the State of Louisiana offered the company a competitive incentive package that includes a \$1.5 million performance-based grant to offset site infrastructure costs."

The project, when restarted, will have an estimated 370,000 mt/year of ethylene and 30,000 mt/year of propylene production capacity and can use ethane and propane as feedstocks. The estimated cost of the project is around \$175 million and it is expected to generate 125 new direct jobs, the LED announcement showed.

The site was previously owned by Equistar Chemicals and was taken out of service on February 17, 2001, as a result of reduced demand for petrochemical derivatives and escalating oil, natural gas and utility prices.

"Mechanical completion is expected in the third quarter of 2017 on schedule, followed by commissioning and startup in the fourth quarter of 2017," Indorama Ventures said