

Shell begins building new petrochemical complex in Pennsylvania

Platts.com, 8th Nov 2017

Shell Chemical has begun construction on a new \$6 billion petrochemical complex in western Pennsylvania, the company said Wednesday, that will be the first fueled by the cheap US natural gas boom to come online in the US Northeast rather than the chemical-heavy Texas and Louisiana coasts.

The company has been preparing the site in Monaca, nearly 28 miles northwest of Pittsburgh, which will house a 1.6 million mt/year steam cracker and three polyethylene plants with a cumulative capacity of 1.6 million mt/year to start up in 2020 or 2021.

The complex also will include a cooling tower, rail- and truck-loading facilities, a water treatment plant, a laboratory, a gas-fired power plant and an office building, the company said.

Shell's pipeline division also has been securing easements since late 2016 for a 97-mile, 107,000 b/d pipeline to feed ethane to the cracker from southeast Ohio and southwest Pennsylvania.

Shell decided to move forward on the Pennsylvania cracker in June 2016. While other companies also have considered building similar infrastructure in the region, none have announced similar final investment decisions.

PTTGC America, the US arm of Thailand's PTT Global Chemical, has yet to make that decision on a 1 million mt/year cracker project in Belmont County, Ohio, about 71 miles southwest of Pittsburgh. Last month, PTTGC America CEO Toasaporn Boonyapipat signed a memorandum of understanding with John Minor, president of Jobs Ohio, a statewide job-promotion group, to establish an infrastructure development plan around the project site after the company issues its final investment decision.

PTTGC America had planned to make that FID by mid-2017, but in February pushed it to later in the year to allow further discussions regarding engineering and construction plans submitted by Fluor and Bechtel.

Brazil's Braskem also has a dormant proposal for a 1 million mt/year cracker project in West Virginia, which has been on indefinite hold since crude oil prices fell from triple-digit highs in 2014.