

Dow to add plants

By ALAN NIESCHWIETZ | Posted: Friday, April 22, 2011 2:00 am

FREEPORT - Residents can expect to see thousands of contract construction jobs and hundreds of new permanent ones.

That's what the construction of one new facility and the upgrade of a current one by Dow Chemical Co. at its Oyster Creek Plant will mean to the area.

"It's a great day," said Gary Hockstra, vice president of Dow Texas Operations. "It's not very often we can make announcements like this. It's a vote of confidence in our ability to earn investments from the corporation."

Dow's expansion plans are being made possible by the discoveries in Texas and across the nation of huge deposits of natural gas in shale formations, said Dow Spokeswoman Tracie Copeland.

"The supplies are incredible, and we're going to take advantage of that," she said.

What the facilities will be doing, Copeland said, is transforming ethane in to ethylene and propane into propylene.

"It takes several years to build something like that," she said. "The schedule calls for propylene production to begin in four years (2015), and for the ethylene cracker to be complete in five years (2016)."

In addition to those two, there's a strong possibility, Copeland said, another ethylene production plant will be added in 2017.

"The biggest of the two projects is to take propane and make propylene out of it," Hockstra said. "It's a key raw material, and we use it for a series of different products."

Those include things like polyurethane, epoxies, coatings and such, he said. The company currently has to buy propylene from outside sources, and this production facility will allow Dow Chemical to make it internally, Hockstra said.

Ethylene is a raw material used primarily for the production of various plastics, he said.

Dow is the second major company in the area to announce it will add to its operations as a result of the shale gas discoveries. Freeport LNG announced last fall it would restructure to handle liquid natural gas exports as well as imports.

"This just further reinforces and confirms Freeport LNG's belief as to the amount of natural gas in general, and in the state," said Freeport LNG Vice President Mark Mallett of Dow's Thursday morning announcement.

Since his company will be dealing with just natural gas and Dow will be dealing with its byproducts, they won't be competing with each other, he said. In fact, he said, Dow is both a customer and limited partner in the company.

"They're benefiting from the same opportunity that we are," Mallett said. "It's a very complementary project."

Dow also announced Thursday it will be restarting its ethylene cracker at a plant near Hahnville, La., making improvements to an ethylene cracker in Plaquemine, La., and will explore an option to produce propylene for sale as well as for in-house use.

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