Reality check: Northwest Innovation Works LLC: "local" jobs, public subsidies, "low emissions"

Who's behind the dangerous methanol refinery scheme? Northwest Innovation Works LLC, a new company backed by the Chinese government. Their plan: exploit inexpensive natural gas and water prices to make methanol for export to China for plastic production. Building the world's largest natural gas-to-methanol refinery in Kalama, Washington, is the wrong direction for our safety, river, climate, and private property rights. Every voice is needed to block the proposed Kalama Methanol Refinery –you can make a difference.

Counties included in the Northwest Innovations Works definition of "local":
Cowlitz County, Washington
Clackamas County, Oregon
Clark County, Washington
Columbia County, Oregon
Lewis County, Washington
Multnomah County, Oregon
Pacific County, Washington
Skamania County, Washington
Thurston County, Washington
Wahkiakum County, Washington
Washington County, Oregon
Yamhill County, Oregon

Over-broad definition of "local" employment

NWIW executives have touted local employment as an aspect of their proposed methanol refinery at the Port of Kalama. However, a closer look at the ECONorthwest report commissioned by the company reveals that their definition of "local" is a 12-county region with a 90 minute or less commute to Kalama.[1] According to Northwest Innovations Works' report, the labor market for the projected 192 jobs includes more than 1.4 million workers.[2] The pool of qualified construction workers that Northwest Innovations Works' consider "local" includes nearly 42,000 workers.[3]

Over-stating construction jobs and impact

Northwest Innovations Works admits that "much of the equipment and engineering work necessary will come from outside the local region."[4] Refinery components will be shipped to Kalama, not created in Kalama and workers from outside the region who specialize in methanol refinery construction will be brought in to build it.

According to their own report, Northwest Innovations Works' estimates that only 1/3 of the total construction purchases will be spent locally – and remember, they consider 12 counties within a 90 minute drive of Kalama to be the "local area." [5]

Public subsidies for Northwest Innovation Works' profit

While publicly touting all the money NWIW would invest in Washington, Northwest Innovations Works courted the governor, the Port of Kalama, and the Washington legislature. One reason: public subsidies. Here's what we know:

- The Port of Kalama is asking least $11 million in federal money to build a new dock on the Columbia River for Northwest Innovation Works.[6]
- The Port of Kalama asked the federal government for a $15 million low-interest loan to build the Ranney well for Northwest Innovations Works to collect groundwater.[7] Their proposed water well is hydrologically connected to the Columbia River and would pull nearly 5 million gallons of water each day from the well.

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[1] Draft EIS, Appendix M, p. 3.
[2] *Id.*
[3] Draft EIS, Appendix M, p. 7.
[4] Draft EIS, Appendix M, p. 4.
[5] Draft EIS, Appendix M, p. 5.
[6] *See* Cowlitz County Board of Commissioners, *Letter to Secretary Foxx in Support of Port of Kalama's TIGER 2016 Grant Application* (April 25, 2016).
[7] *See* Port of Kalama, *Regular meeting minutes* (Aug. 27, 2014); *see also* Port of Kalama, *Special meeting minutes* (June 26, 2014).

- Northwest Innovations Works President Vee Godly asked Washington legislators for hundreds of millions in tax breaks. According to a fiscal analysis prepared for the legislature, an existing tax loophole will allow Northwest Innovations Works to avoid paying $143 million in state and local sales tax through 2021.[8] Northwest Innovations Works' lobbied against recent efforts to close that loophole.

Table 3: Construction Labor Occupations Needed for KMMEF Versus Working in the Region in May 2014, BLS

Construction Workers	Needed at KMMEF	Working in the Region	Occupation Code
Expeditor / Materials Clerk	16	5,900	43-5071
Equipment Operator	40	2,800	47-2073
Millwright	60	1,050	49-9044
Iron Workers	35	940	47-2221
Riggers	25	170	49-9096
Pipefitter	200	3,910	47-2152
Welder	200	3,690	51-4121
Electrical / Control	85	6,350	47-2111
Carpenter	25	8,060	47-2031
Mason	30	400	47-2021
Apprentices	100	1,040	47-3011-19
Laborer	60	7,610	47-2061
	875	41,920	

Graphs taken directly from Northwest Innovation Works' jobs report. *Note: the proposed methanol refinery is also referred to as the Kalama Manufacturing Energy Facility, or KMMEF.*

Table 7: Occupations and Employees for Plant Operations at KMMEF Versus Local Availability in May 2014, BLS

Plant Operations Employees	Needed at KMMEF	Working in the Region	Occupation Code	BLS Occupation Title
Administration				
General Manager	1	18,460	11-1021	General & Operations Managers
HR Manager	1	150	11-3121	Human Resources Managers
Procurement	2	3,100	13-1023	Purchasing Agents, Except Wholesale, Retail, & Farm Products
Sales Manager	1	4,440	11-2022	Sales Managers
Manager	1	2,320	11-3011	Administrative Services Managers
Accounting	4	8,700	13-2011	Accountants & Auditors
IT Manager	2	3,750	11-3021	Computer & Information Systems Managers
Specialist	5	10,740	13-1199	Business Operations Specialists, All Other
Assistant	3	5,580	43-6011	Executive Secretaries & Executive Administrative Assistants
Clerical/Office support	12	21,510	43-9061	Office Clerks, General
Technical Management				
Plant Manager	1	1,970	11-3051	Industrial Production Managers
Production Manager	1	5,210	11-9199	Managers, All Other
Maintenance Manager	1	5,210	11-9199	Managers, All Other
HSE Manager	1	170	17-2111	Health & Safety Engineers, Except Mining Safety Engineers & Inspectors
Technical Staff				
Process Engineer	2	3,370	17-2112	Industrial Engineers
Laboratory Supervisor	1	320	19-2031	Chemists
Laboratory	11	650	19-4099	Life, Physical, & Social Science Technicians, All Other
Production Staff				
Shift Supervisor	4	4,780	51-1011	First-Line Supervisors of Production & Operating Workers
Control Room Operator	12	120	51-8091	Chemical Plant & System Operators
Process Operator U&O	20	130	51-8093	Petroleum Pump System Operators, Refinery Operators, & Gaugers
Operator	16	5,210	51-9199	Production Workers, All Other
Security Guard	8	6,210	33-9032	Security Guards
Maintenance Staff				
Mechanical Engineer	2	2,560	17-2141	Mechanical Engineers
E&I Engineer	2	1,550	17-2071	Electrical Engineers
Draftsperson/Planner	2	590	17-3013	Mechanical Drafters
Workshop Foreperson	4	370	49-9069	Precision Instrument & Equipment Repairers, All Other
Mechanic	30	3,360	49-9041	Industrial Machinery Mechanics
Welder	7	3,690	51-4121	Welders, Cutters, Solderers, & Brazers
E&I Technical Foreperson	9	250	49-9012	Control & Valve Installers & Repairers, Except Mechanical Door
Electrical Foreperson	1	800	49-2094	Electrical & Electronics Repairers, Commercial & Industrial Equipment
Instrumentation	18	1,300	49-9099	Installation, Maintenance, & Repair Workers, All Other
Logistics				
Store Supervisor	1	790	43-5011	Cargo & Freight Agents
Store Person	6	5,900	43-5071	Shipping, Receiving, & Traffic Clerks
Total	192	133,260		

Sources: NWIW and the US Bureau of Labor Statistics

Clean and green technology?

Building the largest natural gas-to-methanol refinery in the world is not reducing air pollution or greenhouse gas emissions. This methanol refinery would me a natural gas giant – using more gas than all gas-fired power plants in Washington State combined.

Northwest Innovation Works claims that their method of making methanol is cleaner than others. However, there is no evidence that a methanol refinery in Kalama will actually replace coal-to-methanol refineries in China. And Northwest Innovation Works cannot regulate coal-to-methanol refineries in China. This project may simply add to global supplies of petrochemicals—and global greenhouse gas pollution—without

According to Northwest Innovation Works, the Kalama methanol refinery would incorporate Ultra Low Emission (ULE) technology to reduce greenhouse gas emissions. The major accomplishment of this technology (not used at any of the seven existing methanol refineries in the United States) is that it substitutes electricity from the grid for natural gas burned onsite. As a result, the electricity demands of the ULE process are enormous, and project backers have ignored the sizable pollution associated with that added power consumption—a galling oversight in light of the fact that the regional power grid does not have large quantities of available carbon-free electricity.[9]

[8] http://www.thenewstribune.com/news/politics-government/article62347452.html#storylink=cpy
[9] http://www.sightline.org/2016/06/23/examining-methanols-green-claims-in-the-northwest/