

Plastics News

Plastic dreams start to become real in Appalachia

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Chicago — The potential that Appalachian shale gas fields hold for the North American plastics market is moving closer to reality.

Shell Chemical has begun work on a massive petrochemicals site, including polyethylene resin, in Monaca, Pa., near Pittsburgh. A second petrochemicals site in southeastern Ohio also may be

developed.

"We're sitting on an enormous amount of feedstock to promote a renaissance in manufacturing," Denise Brinley said at Global Plastics Summit 2017, held Oct. 11-13 in Chicago. Brinley is a senior energy advisor with the Pennsylvania Department of Community & Economic Development in Harrisburg, Pa.

Shell's 1,200-acre brownfield site, formerly used for zinc processing, ultimately will have annual production capacity for 3.5 billion pounds of high density and linear low density PE, as well as 3.3 billion pounds of ethylene feedstock. It will source ethane from the massive Marcellus natural gas field and is expected to come online in late 2021 or early 2022.

"We're looking at this as a regional investment between Pennsylvania, Ohio and West Virginia," Brinley said. "The states are working together, not competing with each other.

"Our states have a rich manufacturing heritage," she added. "We landed [the Shell project] because we have the workforce to support it."

The Pittsburgh area is within 700 miles of 70 percent of North America's HDPE and LLDPE processors, according to Brinley. "It's a good place to be situated if you want access to feedstock at low prices and access to customers in the market," she said.

IHS Markit, which co-hosted GPS, completed a study in early 2017 that showed that the Pittsburgh-area plant would have a 30 percent cost advantage by not having to transport ethane over great distances.

The area also offers a large amount of molded product production and support from a vast array of companies in the region, according to Jason Williams, senior lecturer in plastics engineering technology with Penn State's Behrend campus in Erie, Pa. Penn State-Behrend also hopes to place engineering students among the 600 full-time jobs that will be created by the Shell complex, he added.

A joint venture between PTT Global Chemical of Thailand and Marubeni Corp. of Japan is expected to make a final decision on a petrochemical project in Dilles Bottom, Ohio, by the end of the year. That project, which was first announced in early 2015, would include an ethane cracker and would produce ethylene feedstocks and resins, most likely polyethylene.

An ethane storage facility is likely to be built in West Virginia as well, according to Brinley. She said the region has the shale gas capacity to support four more ethylene crackers: three in the Marcellus and one in the Utica shale region.

The Pennsylvania/Ohio/West Virginia area "won't look like the Gulf [coast], but it can support additional investments," she said.

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