

Hundreds attend forum on Shell plant impact

By Mary Hill Herald Staff Writer | Posted: Thursday, March 9, 2017 3:00 am

For those who arrived after 9 a.m., Thursday, to attend the Regional Impact of the Petrochemical Cracker Plant on Western Pennsylvania Forum, at Cross Creek Resort, in Titusville, it was “standing room only.”

The forum was sold out as about 370 people attended from all over the region to hear about the impact the petrochemical plant, now under construction in Beaver County, near Pittsburgh, will have on business and industry in the area.

Shell Chemical Appalachia announced in June its commitment to the construction of the plant.

Once the plant is completed, it will take in natural gas from the region’s Marcellus and Utica shale formations and “crack” the ethane into raw material for manufacturing products, such as PVC, vinyl chloride, ethylene, glycol, styrene and polystyrene. These byproducts of shale drilling can be used for everything from pool liners to pipes to food packaging, housewares, footwear, diapers, textiles, tires paint, adhesives and instrument lenses.

One of the forum’s speakers, Dan Borne, retired president of the Louisiana Chemical Association, gave an overview for manufacturing and educational facilities on the 21st century petrochemical industry.

Some said Louisiana discovered its oil resources in 1901, and later, “we also discovered natural gas. We have a tremendous fertilizer plant in Louisiana.”

He then displayed a map of Louisiana’s oil and gas pipelines.

“Pennsylvania is sitting on a dome of (an) incredible economic boom,” Borne said. “You’ve got incredible infrastructure, airports, rivers, railroads.”

According to Shell, the approximately \$6 billion plant will create 6,000 jobs during construction and have 600 permanent employees when the plant is completed.

“The plant jobs are coveted and hard to get,” Borne said.

Another speaker, Denise Brinley, special assistant to the secretary of Strategic Industry Initiatives Pennsylvania Department of Community and Economic Development (DCED), discussed leveraging Pennsylvania’s energy assets for economic growth.



A packed house

Nearly 400 people from around the region listen to a presentation by Dan Borne, retired president of the Louisiana Chemical Association. Borne spoke about the 21st century petrochemical industry, providing an overview for manufacturing facilities and educators.

Brinley said the region needs to embrace and act on opportunities that are upon it.

“Our history is steeped in energy and manufacturing,” she said.

Brinley said Pennsylvania has a gas industry; and by 2030, the state will be producing 25 billion cubic feet of gas per day.

She said Pennsylvania is currently in the midst of a \$12 billion pipeline build-up for its gas.

According to the Beaver County Times, the plant will use low-cost ethane from shale gas producers in the Marcellus and Utica basins to produce 1.6 million tons of polyethylene per year. Polyethylene is used in many products, from food packaging and containers to automotive components.

Brinley added that the DCED is keeping an eye on what the supply chain will be.

She said the Mariner East I pipeline will carry natural gas liquids (liquid propane and ethane) from western Pennsylvania to the Sunoco Logistics refinery, in Marcus Hook, for both domestic distribution and export.

According to the Chester County Planning Commission’s website, the Mariner East I project was completed in late 2014 and is shipping both ethane and propane.

The website reports that the Mariner East 2 pipeline is currently being proposed by Sunoco Logistics. When constructed, this project will transport natural gas liquids from Ohio and the Pittsburgh area to the Marcus Hook facility for both domestic distribution and export.

“We have a lot of ethane,” Brinley said. “Five total cracker (plants) in the region will be the supply line for ethane.”

She said western Pennsylvania, Alberta and Sarnia, in Canada; the U.S. Gulf Coast and Saudi Arabia are all making polyethylene which will be processed at the Beaver County petrochemical “cracker” plant and the pellets will be shipped to other areas.

“We have the potential to outcompete Sarnia, Alberta, the U.S. Gulf Coast and Saudi Arabia,” she said. “We can do it cheaply and transport (the gas), but demand is rising for polyethylene and polypropylene.”

Brinley said Shell spent money for land development, and a second cracker plant is being proposed on property in Ohio owned by First Energy, which would provide opportunities for Pennsylvania and West Virginia.

“All U.S. ethylene is imported and Shell looks to change that,” she said.

Business and workforce

Next up to speak was R.B. Smith, vice president of business and workforce development with the Southwest Louisiana Economic Development Alliance.

Smith outlined opportunities for regional business growth.

He said area businesses want a piece of the work and money associated with the plant.

Smith said Bechtel Corporation is building the cracker plant.

“Bechtel is a large firm, they build all over the world,” he said. “They are building in places like Korea and China.”

Smith said Bechtel has stringent safety programs and all subcontractors have to demonstrate a comprehensive safety plan with thousands and thousands of accident-free hours.

He added that area suppliers and vendors are also required to demonstrate a track record of doing business with industry.

“If you are interested in doing work with Bechtel, go to the website and download the guide,” Smith told the audience.

He also told audience members that the plant will need goods and services like medical and first aid supplies, transportation (dump trucks and other hauling and work-related equipment) towers and antennas, shop-fabricated sheet metal from a certified shop, railroads, concrete services, site prep work, architectural work, buildings from which workers operate, plumbing and electrical systems, heating, ventilation and air conditioning equipment, security systems, office equipment and supplies, catering and promotional signage.

“Once the plant is 50 percent complete, Shell will start hiring,” Smith said. “If you think you want to be a vendor or supplier, go to Shell’s website.”

He said there are also secondary and territory opportunities for local businesses.

“(Local businesses) will not be serving the project, they will be serving the people involved in the project — the 6,000 workers — with 6,000 jobs, you will have a lot of new customers,” Smith said.

He added that if those 6,000 employees work all day, they may want to shop or eat at a restaurant.

“Most small communities don’t have the technology,” Smith said, adding that millennials will use cell phones for texting or visit Facebook and other social media.

“You have to be a vibrant, active member of the tech community,” he said. “To a lot of people, time is more valuable than money, big and small businesses should put products online.”

Local impact

Editor’s note: The following section of this article appeared in a July 2016 edition of The Herald, regarding the most likely economic impact on Titusville by the Shell plant.

The hope is that the Shell ethane “cracker” plant will bring a return to those abandoned brownfield sites that litter the region by providing a nearby raw products facility to supply a wide variety of production jobs.

In Titusville, the industrial withdrawal left the sprawling Cytemp Specialty Steel complex abandoned and

falling into ruin.

Titusville Redevelopment Authority (TRA) later acquired the 206-acre site, along with its approximately 670,000 square feet of industrial buildings, and has been renovating the space for modern manufacturers.

It marketed its commercial Towne Square Building, after a more than 10-year renovation project, to companies that work closely with the shale industry — such as forestry, wealth management, and fluid delivery companies. (That building was badly damaged in a March 2015 blaze, but is being rebuilt.)

Jim Becker, TRA executive director, told The Herald in a Wednesday interview that, once the Shell plant is constructed in Monaca, Beaver County, it could mean a long-term boon for the local economy.

“That’s a long-term play,” he said. “It’s exciting news. Getting Shell to agree to do the project, even in southwestern Pa., is huge. They have been, over time, investing a lot of money at the Monaca site.”

Locally, the impact is something that goes beyond the facility, itself.

Being located within 100 miles of a major source for raw materials that go into countless products is expected to be a big draw for expanding, relocating, or start-up companies.

“It will give us the ability to add to our sales pitch regarding plastics and petrochemical companies in particular,” Becker explained. “Because, if you can get raw material for a plastics company produced out of a cracker plant that’s located 100 miles away, that has rail access, that can get it, by rail, to Titusville, and you can help a company reduce its transportation costs and their raw material costs, all of the sudden, we have a real chance to be in the ballgame.”

He said that the cracker plant is expected to be the lynchpin in the expansion and interconnection of the gas pipeline network in order to get the treasure trove of gas from the well to the Monaca plant.

“If you look at it now, on a big map, it looks like a bullseye target,” Becker said. “There are these rings of natural gas well sites. And, they’re linked around Monaca. So, when they start connecting, as they’re doing the construction of the site at Monaca, it is my understanding they will be doing the construction of the piping system.”

Becker said the project has been a long time in the making, and something that comes with countless variables, most of which have positive results.

“This was a deal maker,” he said. “This is the project that everybody was waiting for that signaled to the industry that Royal Dutch Shell is here, and that they are going to be here. They are investing here. And, now others will follow. But, then again, it’s not something that’s going to happen over night... It’s a huge economic development boost — not just for the Pittsburgh area, but for western Pennsylvania, in general. And, over time, even communities like Meadville and Titusville and Franklin and Oil City will see some benefits from this happening.”

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