

Freeport LNG plan to shift focus from imports to exports to boost jobs



RYAN EVON/The Facts Mark Mallett, Freeport LNG vice president of operations and engineering, and Robert Pate, facility director, talk about plans to upgrade the plant.

Posted: Monday, January 3, 2011 2:00 am

Freeport LNG plan to shift focus from imports to exports to boost jobs By ALAN NIESCHWIETZ

QUINTANA — Providing the paperwork is OK'd, Freeport LNG will be changing from an import to an export facility in the next couple of years, but officials there say the biggest change locals are likely to notice will be the increased economic activity.

"It's a significant project in terms of jobs," said Mark Mallett, vice president of operations for Freeport LNG, who was on site inspecting the facility last week. "Twenty to 30 permanent jobs here at this one operation, and 1,000 jobs during peak construction."

When it was built, the idea of the plant was to take imported liquified natural gas, turn it back into a gas, then send it out to domestic markets through a pipeline, he said. But as more domestic gas fields were discovered, especially the rich shale finds in Texas, demand for foreign natural gas dropped to next to nothing.

The money now is to do the original process in reverse, Mallett said.

As far as what the place will look like in 2015, if all goes as planned and when construction is done, he said it will pretty much look the same, with just some more stuff on the property within the site's fenceline.

"A third tank, one dock and the liquefaction facilities, which will be very similar to what you currently see," Mallett said.

The tank will be built right next to the current two, he said, and the dock and new liquefaction facility will be placed by the existing dock, near the white tanks belonging to ExxonMobil.

Even though the site eventually will be used for the opposite purpose for which it was built, Mallett said it is a long way from starting from scratch.

“The technology we have to vaporize liquid natural gas is going to be reutilized,” he said.

“One of the advantages we have is we can reuse a fairly significant amount of equipment we have now in the new process,” he said, the most notable of which is the VE Tower, the long, rectangular building with fans on the side.

That new process will involve taking natural gas from a pipeline and converting it into a liquid, Mallett said. The way you do that, he said, is “basically, you just refrigerate it,” then the product is both stored at and shipped at -260 degrees Fahrenheit.

While not a physical change, the most visible difference will be the number of ships docking at the facility, which will be up significantly from what is currently handled, he said.

Mallett said the site is expected to process 1.4 billion cubic feet of liquid natural gas, “so we’ll need a ship every couple of days.”

Terminal Manager Robert Pate said that means they’ll be handling about 100 ships per year, the number they are currently permitted for as an import facility, as opposed to the eight ships they have handled during 2010.

When the change finally occurs, they expect to often have two ships at the docks because, at about 40 hours, it takes twice as long to load a ship with liquefied natural gas as it does to unload it.

“We just want to be good corporate neighbors, and work with the mayor and the City Council on this,” Mallett said.

Early next year, he’s anxious to begin having open houses in order to offer more of an in-depth explanation of what will change at the site, he said.

He added that getting all of the necessary permits will take at least two years, so construction won’t begin before 2012.

Mayor Wallace Neeley said he’s comfortable with the steps the company is taking. Freeport LNG expects to have personnel at February’s council meeting to talk about the project.

Neeley said he’s going to officially reserve his opinion on the project until he sees more information, but, “I’ve only heard one negative opinion about it, and the rest has been pretty good.”

Industrial facilities are a fact of life for people living in the Brazosport area, so Freeport LNG’s expansion shouldn’t be all that distressing for residents, he said.

His primary concern with the addition, Neeley said, is that the well-being of Quintana residents is kept in mind throughout the process.

“That’s the first thing we strive for with them,” he said. “Just make sure it’s safe.”

Alan Nieschwietz covers Quintana for The Facts. Contact him at 979-237-0151.