From: Lynch, BIll (UTC)
Sent: Tuesday, November 5, 2013 12:15 PM
To: Phillips, Keith (GOV)
Subject: RE: gas to methanol

Keith.

I double-checked with some staff and they said that it would include everything. The focus is on the process used, and then the volume of what is produced. Having said that, I'm not sure what expertise exists over here for that type of a facility. We might lean heavily on Ecology. All of the existing refineries in the state pre-date EFSEC and were grandfathered in.

Bill

From: Phillips, Keith (GOV)
Sent: Tuesday, November 05, 2013 11:44 AM
To: Lynch, BIll (UTC)
Subject: RE: gas to methanol

Thanks, very helpful … we're trying to get a bead on the planned volumes.

Does "refined products" include everything … e.g., non-fuel chemicals, such as olefins, aromatics, wax, etc.?

From: Lynch, BIll (UTC)
Sent: Tuesday, November 05, 2013 8:27 AM
To: Phillips, Keith (GOV)
Subject: RE: gas to methanol

Hi Keith.

It appears that EFSEC would have jurisdiction, depending on the volume, of siting such a facility. EFSEC has jurisdiction over certain energy facilities. Energy facilities include energy plants under RCW 80.50.020(11). RCW 80.50.020(12)(f) includes under the definition of "energy plant" the following: "Facilities capable of processing more than twenty-five thousand barrels per day of petroleum or biofuel into refined products except where such biofuel production is undertaken at existing industrial facilities."

Natural gas is a form of petroleum, which under the proposal would be refined into methanol. If the facility would process more than 25,000 barrels a day, it would meet the threshold for EFSEC jurisdiction.

Stephen Posner and I talked about this, and we both agree with this interpretation.

Hope this is helpful.

Bill

From: Phillips, Keith (GOV)
Sent: Tuesday, November 05, 2013 7:14 AM

To: Lynch, BIll (UTC)
Subject: gas to methanol

Hi, Bill – does EFSEC have any jurisdiction, required or opt-in, on a facility that would convert natural gas to methanol (for later petrochemical offtake)?

I assume not, but wanted to double check.

We have a firm from China looking at possibly locating such a refinery (?) in WA.

Thanks.

Keith