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# LyondellBasell looking at Texas sites for new chemical plant

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The LyondellBasell Chemical Company plant Friday, Aug. 21, 2015, in Channelview. ( James Nielsen / Houston Chronicle )

While giant LyondellBasell has been expanding throughout the Houston area, CEO Bob Patel said the company is also looking to build a new polyethylene plant at one of its sites in southern Texas.

Speaking at the Houston-based company's sprawling Channelview complex where LyondellBasell will start up 250 million pounds of new ethylene capacity near the end of August, Patel said an announcement likely will come later this year on adding more production of polyethylene, the most common type of plastic.

He said it could be a combination greenfield-brownfield project in the greater Houston region, but he noted that the region stretches as far as its sites in Matagorda and Victoria. He declined to provide further details.

Patel said LyondellBasell is planning to spend up to **\$4 billion** in capital through 2020 along the Gulf Coast, mostly in Texas, as the company looks to take advantage of cheap natural gas that is used as feedstock for manufacturing chemicals and plastics.

By the end of the month, the company will start up its \$200 million project to add large cracking furnaces that will produce 250 million more pounds of ethylene per year. Ethylene is the chemical building block of plastics.

Eventually, LyondellBasell will further expand the Channelview complex to add 550 million pounds of ethylene production capacity a year. Patel said it will likely be completed by 2018 or 2019.

"We're just working through the project. It's going to happen. It's really a matter of specific timing," Patel said.

Patel said LyondellBasell's board will make a final decision **next year** on whether to move forward with the company's biggest project ever — a plant to produce 900 million pounds of propylene oxide, 2 billion pounds of tertiary butyl alcohol and its derivatives annually.

Propylene oxide is a chemical used to make everything from antifreeze to cosmetics. The tertiary butyl alcohol is a byproduct used as a solvent to make chemicals and gasoline additives.

While the plant's location is not yet announced, Patel said, "We're working through that, but certainly Channelview is in the mix."

Apart from the Channelview expansion, LyondellBasell is currently expanding its ethylene production capacity by 800 million pounds a year and its Corpus Christi plant. That project will be finished in mid-2016, Patel said. Last year, the company also added 800 million pounds of ethylene capacity at its La Porte plant.

The company recently completed a project in La Porte to add 800 million pounds of ethylene capacity and the same amount of capacity is being added to its Corpus Christi plant, with work slated to be done in mid-2016.

The capacity boost provided by those projects is equal to building a new ethylene plant he said. The expansions will boost LyondellBasell's ethylene capacity to 1.85 billion pounds per year. Adding more to the Channelview plant would raise that number to 2.4 billion pounds per year.