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# Linde unveils \$200 million investment in La Porte plant

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Years after the fate of Linde Group's La Porte plant seemed questionable amid skyrocketing natural gas prices, the German gases and engineering company Tuesday unveiled a \$200 million expansion and revealed plans for more projects at the same site.

It's the latest sign of how the shale gale has reversed the fortunes for the region's chemical companies and breathed new life into an industrial complex that hadn't seen new investments in 15 to 20 years. After years of stagnation, East Harris County is roaring back to life, thanks to a swell of cheap shale gas that's fueling a building spree along the chemical and refining corridor.

"This is the first of a series of investments we're going to make," Pat Murphy, president of Linde Americas, told an audience gathered for Tuesday's ribbon cutting at the plant. "We're really bullish on Texas."

Linde's executives declined to release more details about their future plans for the La Porte plant, but said they intend to continue trying to capitalize on cheap natural gas prices that have given U.S. chemical and manufacturing companies a new competitive edge over their international counterparts.

"We love the shale gas play, of course, and we want it to say that way and keep that advantage," said Raghu Menon, who oversees Linde's investments in the Americas in an interview with Fuel Fix. "We have a lot of future plans ahead."

Two years after construction began, the Linde expansion is among the first to cross the finish line in a wave of megaprojects under construction along the Gulf Coast. Major companies like major companies like Chevron Phillips Chemical, LyondellBasell and Exxon Mobil Chemical are spending billions on new ethylene crackers, propylene production units and other expansion projects, but many aren't slated to be finished for another two years at the earliest.

"We were on the front line of the curve," Menon said.

Linde's project was two-fold. The Munich-based firm added a new reactor, called a gasification train, to convert natural gas into synthesis gases and other products, which are then used to make methanol, transportation fuels and other chemicals. The addition of a third reactor makes the La Porte the largest of its kind in the world, Menon said.

Linde also built a new air separation unit to produce air gases, including oxygen to feed the nearby gasification units. The unit, which started operating in April, also produces oxygen used

in hospitals, liquid nitrogen for freezing seafood and argon commonly used in welding and other manufacturing operations.

The project marks the first major investment Linde has made in the United States in more than a decade, a dramatic departure from the years before the shale boom when chemical companies were shutting down U.S. plants and moving facilities overseas, said Chuck Brooks, who oversees project execution for Linde Gas.

“Overseas chemical facilities were much more efficient, so much of this chemical industry was going the other way,” he said. “It was actually shutting down. There were discussions about what we were going to do.”

Linde weathered the storm, holding on its 1978 La Porte plant even when natural gas prices in 2008 spiked to levels five times higher than today’s price of \$2.85 per million British thermal units. After advances in hydraulic fracturing and horizontal drilling unlocked a surge of natural gas, collapsing prices for the commodity, Linde and others scrambled to take advantage of the new bounty.

“We’re now committed to this region,” Brooks said. “We just pumped \$200 million in and we’re going to pump more.”