Enterprise and Navigator Plan US Ethylene Terminal

US oil and gas company Enterprise Products Partners and UK shipping group Navigator Holdings have formed a 50:50 joint venture to build a 1 million t/y ethylene export terminal on the US Gulf Coast.

The facility, which will have on-site refrigerated storage for 30,000 t of ethylene and a loading capacity of 1,000 t per hour, is expected to go into service by the first quarter of 2020.

The companies first announced the project in July 2017, when the two executed a letter of intent to develop the terminal on the Houston Ship Channel. At that time, Enterprise said it would manage the construction, operations and commercial activities of the proposed facility, which would be located at its Morgan’s Point complex, the site of its ethane marine export terminal.

Since then, the partners have obtained long-term contracts with anchor customers, including US ethylene producer Flint Hills Resources, which operates an ethylene plant at Port Arthur, Texas, and a major Japanese trading company.

Enterprise said the location and final investment decisions for the terminal are subject to reaching acceptable arrangements with local taxing authorities.

Jim Teague, CEO of Enterprise’s general partner, said the terminal would support the growing production of ethylene on the US Gulf Coast and would offer “unsurpassed connectivity” to ethylene producers and pipeline and storage infrastructure.

He commented: “By 2021, the petrochemical industry is expected to expand aggregate ethylene production capacity in Texas and Louisiana by nearly 50% to approximately 90 billion pounds per year [41 million t/y]. The resulting rapid growth in the supply of US ethylene, combined with increased demand from international markets, like Asia, creates an ideal scenario in which markets abroad are able to diversify their supply by accessing cost-advantaged feedstocks made possible by the shale revolution in the US. This export terminal will also offer diversification opportunities for domestic petrochemical producers who will not
have to rely solely on the export market for derivatives like polyethylene.’’

Enterprise is also developing an ethylene salt dome storage facility with an annual capacity of around 600 million pounds at its site in Mont Belvieu, Texas.

The facility is expected to begin service in the first quarter of 2019 and will be designed to connect to the eight ethylene pipelines that are within half a mile of the Enterprise ethylene storage system.

In addition, the Texas-based company is building a new ethylene pipeline from Mont Belvieu to Bayport, with operations planned to start in 2020.

Norway’s Odfjell Terminals is also developing an ethylene export terminal in Seabrook, Texas. The company hired JGC America in February 2017 to conduct front-end engineering and design (FEED).

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