

Land Use Permit

Koch Methanol St. James

August 6, 2025

MANAGING RESOURCES RESPONSIBLY.

That's what good neighbors do.

KOCH
METHANOL ST. JAMES



A building block for our daily lives

Methanol is a key ingredient of products we use every day.



TAKING CARE OF OUR PEOPLE.

That's what good neighbors do.



- **Making Methanol safely since June 2021**

- ~116 full time positions
- ~40 full time contractor support
- Over 2 years without a recordable injury

- **Value Transparency, Compliance, and Stewardship**

- Website, Social Media, Community Advisory Board

- **Proud to be part of the St. James Community**

- Open our facility to the community through events.
- Local Partnerships to support education, entrepreneurship, community enrichment, and the environment.

KOCH
METHANOL ST. JAMES

Seeking Land Use Permit Re-approval

- The Optimization and Backup Oxygen Supply Projects (the “Project”) were previously approved by the Planning Commission:
 - July 2023 – Planning Commission approved the Project under a “Tier 2 Review.”
 - August 2023 – Planning Commission’s decision was appealed to the Parish Council.
 - September 2023 – Parish Council rejected the appeal to uphold the Planning Commission’s approval.
 - June 2024 – 23rd Judicial District Court upheld the approval.
 - May 2025 – After an additional appeal, the Louisiana 5th Circuit Court of Appeals remanded the application back to the Planning Commission for review under a “Tier 3 Review.”
 - June 2025 – Parish Planning Commission approved and/or recommended Projects for Approval
- Requesting review and approval for Tier 3 Reviews for the Project

Project Overview

- **Optimization Project** – optimization of existing plant equipment to increase plant production capacity (up to 25% increase)
 - **Pipeline Connection** – Addition of ethane feed gas by tying into an existing 3rd Party ethane pipeline to bring ethane into the facility.
 - Increased cooling in distillation process and other equipment upgrades and Process safety equipment improvements.
- **Back-up Oxygen (O2) Project** – improves plant reliability by providing back-up O2 supply.
 - Oxygen Storage Tank, Liquid Oxygen Vaporizer, and other equipment
 - Increased Plant Reliability – coinciding with reduction in startup/shutdown flaring



Restored vegetation after completion of ethane tie-in and underground pipeline installation within existing corridors.



Restored vegetation on Koch Methanol property after completion of underground pipeline installation.



New ethane injection equipment on Koch Methanol property.

Project Status and Safe Operation

- KMe has operated with ethane injection **safely for over 1 year with advanced process controls and automated safety systems.**
- The ethane pipeline, including the new connection, is operated by a third-party company.
 - Inspections and maintenance conducted in compliance with state and federal regulations
- **Ethane is similar to Natural Gas** (i.e., Methane), an existing raw material for KMe, and is present in existing pipelines in nearby corridors.
 - Emergency Response and Medical Care are similar for Ethane and Natural Gas.
- Ethane was incorporated into the site's "Worst Case Scenario" and there was **no change to the maximum impact distance.**
- KMe will continue to be an active member of CAER; drill with external agencies such as the LEPC and State Police; and conduct internal drills to ensure readiness to respond.



Koch Methanol Emergency Response Team Members at a fire response training.



Project Overview – Land Use Zones



REQUEST 1		Project Scope	Council Action Requested	Factors / Findings
	Tier 2 Review <i>for Industrial Use Areas</i> Section 82-25(f)	Oxygen Backup Supply Project Optimization Project	Planning Commission reaffirmed prior Tier 2 decision on June 30, 2025 for Industrial Use Areas.	Tier 2 Factors to Consider: <ul style="list-style-type: none"> The impacts are not substantially different from the impacts of other allowable uses in the district. The public benefits are commensurate with the physical and environmental impacts on the air, water, and land.
	+			
	Tier 3 Review <i>for Wetlands</i> Section 82-25(e)	Pipeline Connection	Requesting Tier 3 approval of the Pipeline Connection on Wetlands property.	Same Tier 2 Factors to Consider (above) + Make Finding that: <ul style="list-style-type: none"> The use is compatible with surrounding uses and adverse impacts of the use are inconsequential.
REQUEST 2		Project Scope	Council Action Requested	Factors / Findings
	Tier 3 Review <i>for Industrial Use Areas and Wetlands</i> Section 82-25(e)	Oxygen Backup Supply Project Optimization Project (including Pipeline Connection)	Requesting Tier 3 approval for the entirety of the projects .	Same Tier 2 Factors to Consider (above) + Make Finding that: <ul style="list-style-type: none"> The use is compatible with surrounding uses and adverse impacts of the use are inconsequential.

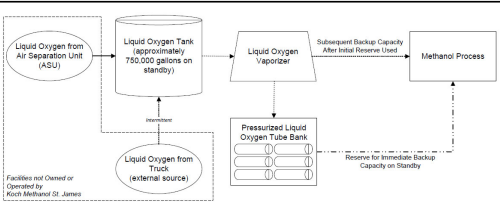
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- Key Takeaway: the impacts of the Optimization Project and Oxygen Back Up Supply Project are not substantially different from the impacts of other allowable uses in the Industrial district.**
 - Optimization Project and Oxygen Back Up Supply Project are both located well within land specifically designated for **Industrial Use**.
 - This use designation includes, “petrochemical operations; . . . tank farms; materials processing and production; . . . and associated support facilities and offices.”



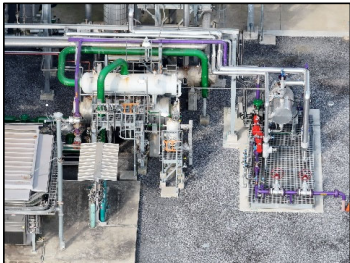
1

The Backup Oxygen Supply Project is still in early design phases but will include equipment within the industrial zone to provide additional oxygen supply to the facility.



2

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The Optimization Project includes the installation of the new ethane pipeline within the industrial zone (top left); the installation of the equipment to inject ethane into the process (bottom left); and other process equipment and upgrades within the industrial zone to support the Project.

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• **Key Takeaway: The public benefits from the proposed projects included job creation, expanded tax base, and improved attractiveness of the Parish for future development.**

- Retain 114 direct jobs + 2 new permanent jobs
 - ~400 temporary jobs created during construction of the Project
- The Project related tax revenue will total over \$10 million over the next 20 years, with current project progress representing \$1.7 million of that.
- Long-term benefits including \$165 million in total tax revenue over the next 20 years which supports Parish Schools, Parks, Senior Center, and Other Services.
- KMe supports local initiatives focused on Education, Community Enrichment, Entrepreneurship, and the Environment.



Educate Students at Local High School



Local Career Fair Participation



Supporting Schools with Grant and Volunteer Work



Engage at Community Tailgate at St. James High School

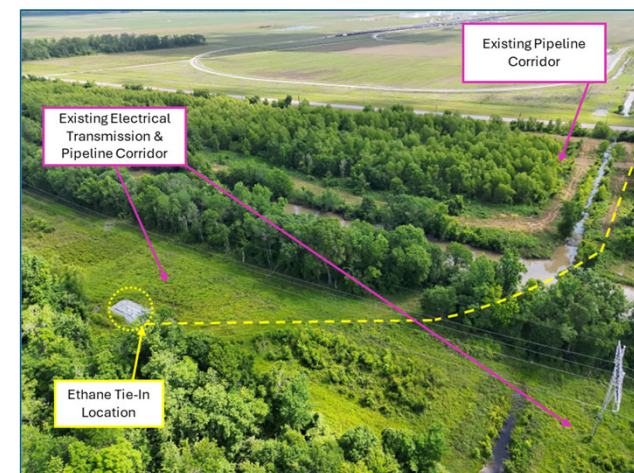
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- Key Takeaway: The physical and environmental impacts are commensurate with the public benefits conferred.**
 - Environmental impacts (air, water, and land) are addressed in KMe’s Environmental Assessment Statement (EAS), which was already considered by the Planning Commission.
 - Since that time, LDEQ issued the Air Permits for the project, agreeing with the EAS.
 - Air: LDEQ concluded: “KMe Facility **will not** cause air quality impacts which could adversely affect human health or the environment.”¹
 - Air Permit requires Best Available Control Technology to control air emissions and Fenceline Monitoring.
 - Emissions will not cause or contribute to an exceedance of any National Ambient Air Quality Standard (NAAQS) or Louisiana Ambient Air Quality Standard (LAAQS).
 - Water: No water quality impacts were expected – this has been supported with the past year of sampling and compliance.
 - Land: Pipeline Connection impacts addressed in next slide.

¹LDEQ’s Statement of Basis – XIII. Impacts on Ambient Air for Air Permit No. 2560-00295-V6 & PSD-LA-851.

REQUEST 1		Project Scope	Council Action Requested	Factors / Findings
	Tier 3 Review for Wetlands Section 82-25(e)	Pipeline Connection	Requesting Tier 3 approval of the Pipeline Connection on Wetlands property.	Same Tier 2 Factors to Consider (above) + Make Finding that: <ul style="list-style-type: none"> The use is compatible with surrounding uses and adverse impacts of the use are inconsequential

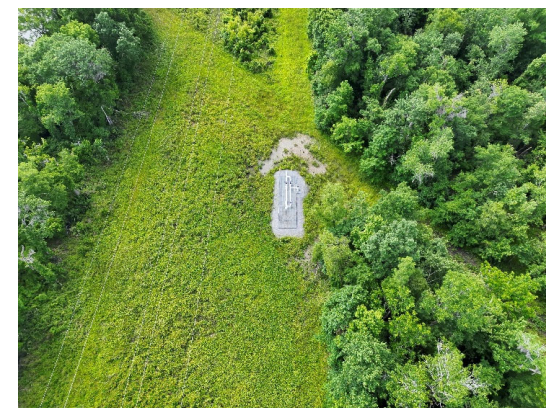
- **Key Takeaway: Pipeline Connection is compatible with surrounding uses due to presence of ROW corridors for existing pipelines and electrical transmission lines.**
 - The new pipeline connection used the **most direct route** to tie into the existing ethane pipeline.
 - **Less than 400 feet of the new pipeline is in the area zoned as wetlands.**
 - Route **utilized existing corridors** that have been in place since before the KMe facility was built.
 - Multiple existing pipelines present¹, including:
 - 4 natural gas pipelines
 - 1 crude oil pipeline
 - 1 ethane pipeline (i.e., the existing ethane pipeline)



¹ Map produced by the Public Viewer application at www.npms.phmsa.dot.gov World Imagery map service data is attributed to Esri, Maxar, Earthstar Geographics, and the GIS User Community. Date Printed: May 20, 2025

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- **Takeaway: Any adverse impacts from the Pipeline Connection have been minimized and are inconsequential.**
 - Construction of the pipeline connection was completed and commissioned in June 2024.
 - LDENR determined that “**the least damaging feasible alternative has been selected.**”¹
 - USACE determined the route was “the least damaging, practicable route and construction method.”² USACE authorized the project under a General Permit, which is only available for projects with “minimal adverse impacts.”³
 - The area has already restored back to the natural vegetation expected (see drone imaging taken April 2025).



¹ CUP No. P20230570, Needs/Alternatives Review (March 11, 2024); USACE Authorization, MVN-2023-00751-CR (March 28, 2024).

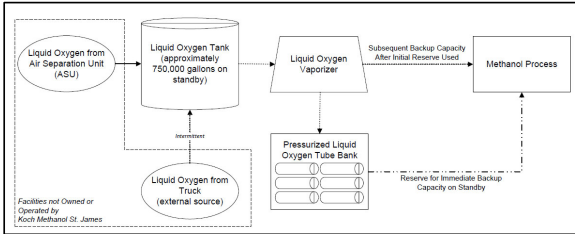
² USACE Authorization, MVN-2023-00751-CR (March 28, 2024), Programmatic General Permit, Category II, Condition 3.

³ USACE Programmatic General Permit for use in the New Orleans District within the Boundaries of the Louisiana Coastal Zone (June 1, 2022).

REQUEST 2		Project Scope	Council Action Requested	Factors / Findings
	<p>Tier 3 Review for Industrial Use Areas and Wetlands</p> <p>Section 82-25(e)</p>	<p>Oxygen Backup Supply Project</p> <p>Optimization Project (including Pipeline Connection)</p>	<p>Requesting Tier 3 approval for the entirety of the projects.</p>	<p>Same Tier 2 Factors to Consider (above) + Make Finding that:</p> <ul style="list-style-type: none"> The use is compatible with surrounding uses and adverse impacts of the use are inconsequential.



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The Backup Oxygen Supply Project is still in early design phases but will include equipment within the industrial zone to provide additional oxygen supply to the facility.



3



5



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The Optimization Project includes the installation of the new ethane pipeline within the industrial zone (top right); installation of the pipeline connection and tie-in within the wetlands (top left); the installation of the equipment to inject ethane into the process (bottom left); and other process equipment and upgrades within the industrial zone to support the Project.

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- **Key Takeaway: The Project components are compatible with and are not substantially different than surrounding uses.**
 - The majority of the Project is located within areas specifically **designed for Industrial use and therefore are compatible with surrounding uses.**
 - The Pipeline Connection, though in an area designated as Wetlands, is compatible with surrounding property uses:
 - The location and pathway utilized is indicative of the **surrounding property use as a pipeline corridor.**
 - There are no less than six (6) pipelines within the vicinity of the KMe Pipeline Connection.
 - There are no human occupied facilities (public or private) near the Pipeline Connection.
 - KMe and LDEQ conducted Environmental Justice analyses and concluded that the Project **will not result in adverse impacts on the surrounding community.**¹

¹ LDEQ's Statement of Basis – XVII. Environmental Justice, Additional Considerations for Air Permit No. 2560-00295-V6 & PSD-LA-851

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- **Key Takeaway: Air impacts meet national and state standards and do not adversely affect human health or the environment, meaning they are inconsequential. Any adverse impacts from the Pipeline Connection have been minimized and are inconsequential. Lastly, the public benefits are commensurate with any physical and environmental impacts.**
- It has been determined that any adverse impacts associated with the Project are inconsequential.
 - LDEQ confirmed the “KMe Facility will not cause air quality impacts which could adversely affect human health or the environment” and “issuance of the permits will not result in an adverse disproportionate impact” to the surrounding community.¹
 - USACE and LDENR determined that “the least damaging feasible alternative has been selected”; and USACE used a permit only available to projects with “minimal adverse impacts” and determined that the pipeline project was “the least damaging, practicable route and construction method.”^{2,3}
- Photos show the area around the Pipeline Connection has restored back to its natural vegetation.

¹ LDEQ’s Statement of Basis – XIII. Impacts on Ambient Air for Air Permit No. 2560-00295-V6 & PSD-LA-851.

² CUP No. P20230570, Needs/Alternatives Review (March 11, 2024).

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- Consistent with the Court of Appeals' decision, the application from 2023 was resubmitted for review with only minor updates:
 - Installation of the KMe Fenceline Monitoring System
 - Creation and hiring of two new full time employee jobs
 - Permits that were obtained to properly authorize the Optimization Project, including the air and wetland permits
 - Updates to the project timeline to accurately reflect the safe completion and operation of the ethane system and pipeline
- This Land Use Permit allows Koch Methanol to operate competitively and continue supporting St. James residents through investing in local education, supporting local initiatives, and being a preferred employer in our community.

Job Creation & Competitiveness

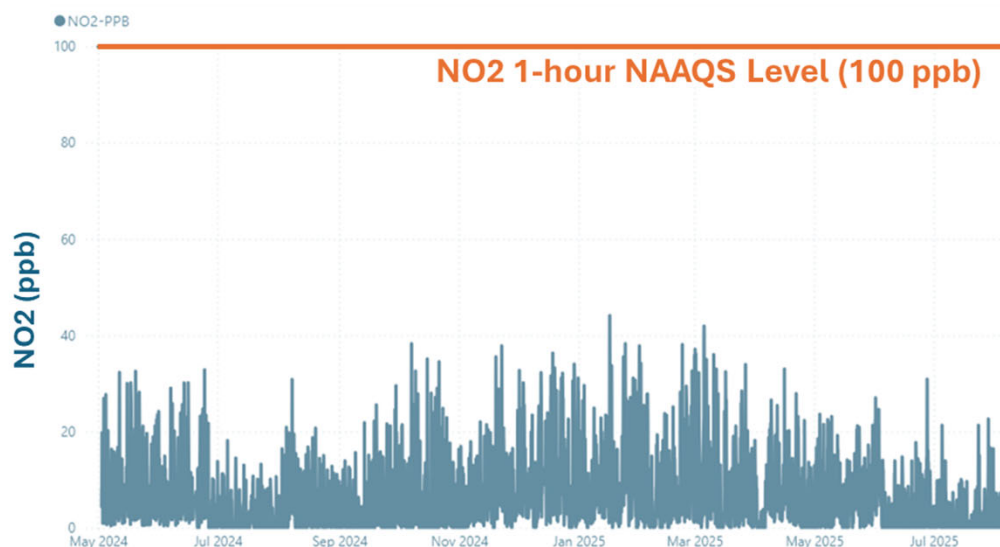
- Retains 114 existing jobs + 2 new permanent jobs
 - Project Manager, Quality Manager; Salaries > \$62,946 (the Parish median income)
- Site has seen an increase in permanent headcount year after year
- Project enables KMe to remain competitive in the methanol market – a growing market within the US & Globally
- Clarifying “Automation”
 - No jobs lost; “automation” enhances safety, reliability, & plant optimization
 - Senior Process Engineer role filled (supports daily operations)



Clarity on Environmental Compliance

- KMe's vision for Compliance & Stewardship goes beyond the rules:
 - Respect the rights of others
 - Prioritize Safety
 - Use Resources Responsibly
- It is a priority to:
 - Understand what happened
 - Address any impacts & properly report
 - Take corrective action to prevent recurrence
- Welcome Ambient Air Monitor Data & NO₂ Attainment
- Air Permit emission increases >25%
- Inspection Report & Warning Letter reference deviations

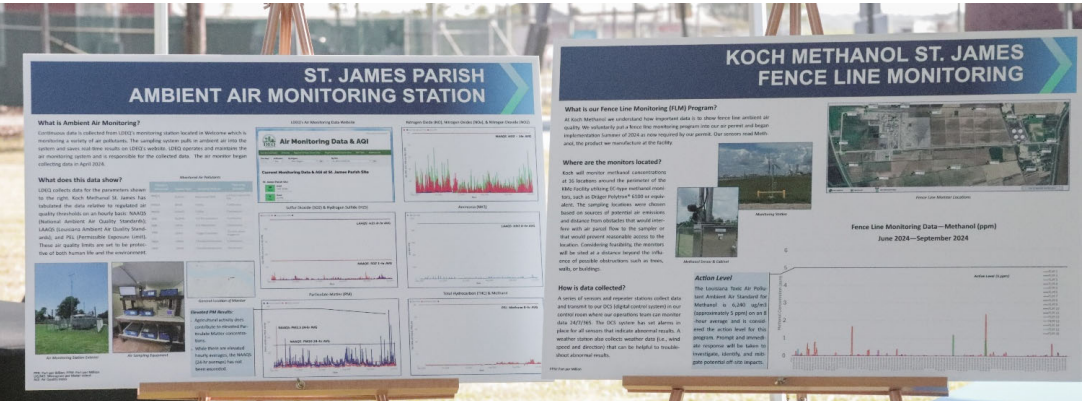
*(right) Welcome
Ambient
Air Monitor*



Facts on Fence Line Monitoring (FLM)

- Right Image: Koch Methanol not only making the data accessible to the public including local community members, but also providing an explanation of:
 - how the sensors work and what they read;
 - how the action level threshold was established; and
 - all FLM data collected to date.
- Below Image: Posters show the disclosed data from the system at the Town Hall meeting in October 2024 as well as the LDEQ's Ambient Air Monitoring Station results.
- As required by the permit, FLM data was provided to LDEQ during their March 2025 Inspection and was reviewed as noted in LDEQ's form¹ – there were no findings of non-compliance.

¹ Tulane's Exhibit H, Page 5, "UNF 0001 Facility – Fence line monitoring records 6/10/2024 – 3/18/2025"



FLM Program Development Timeline

- July/Sept. 2023: Land-use application filed; air permit not yet issued, FLM details pending at the time but the commitment was communicated.
- Dec. 2023: Final Air Permit issued for the Project
- Mar. 2024: Final FLM plan submitted to LDEQ; now available on EDMS
- July 2024: LDEQ notified monitoring began
- Monitoring from June 2024 – Present

FLM has been a very useful tool to continuously monitor (24/7/365) at our fence lines during normal operations as well as during abnormal events, such as a spill.



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