

OCI Global to double its green methanol capacity in the United States

- OCI will scale capacity by 200,000 tons at its facility in Beaumont, Texas
- The green methanol will come from a mix of renewable feedstocks, including renewable natural gas (RNG), green hydrogen and other over the fence feedstock partnerships
- OCI HyFuels will add green hydrogen-based e-methanol to its production portfolio for the first time
- The move cements OCI's position as the world's biggest producer and supplier of green methanol

OCI Global (Euronext: OCI), the world's largest producer of green methanol, has today announced plans to double its green methanol production capacity to approximately 400,000 metric tons per year in response to the growing demand for green methanol from numerous high emissions industries, including road transport, shipping and industrial.

The scale-up plans include entering into supply agreements for renewable natural gas (RNG) exceeding 15,000 mmbtu per day – as well as securing the waste and development rights from the City of Beaumont. This is OCI's first upstream RNG production facility and production is slated to start in Q1 2025. As well as reducing carbon dioxide emissions, obtaining biogas from landfill has the benefit of using methane – which over a 20-year period, has a global warming potential that is 84 times more potent than carbon dioxide – that would otherwise escape and accelerate global warming.

A critical manufacturing building block, green methanol can effectively decarbonize traditionally hard-to-abate sectors by significantly reducing the carbon footprint and emissions across a range of key value chains to power cleaner industries.

OCI currently has capacity to produce up to 200 thousand metric tons of green methanol. Offtakers include the road fuels market, where it is used as a fuel-blend to reduce emissions from petrol; as a building block in a range of industrial applications; and most recently, as a fuel for shipping.

OCI has projected growth in the green methanol market of incremental demand of more than 6 million tonnes by 2028, due to the adoption of green methanol as a shipping fuel, based on the 225 dual-fuelled methanol vessels now on order.

This summer, the first ever green methanol container vessel, owned by AP Moller Maersk, was fueled with OCI HyFuels green methanol on its maiden voyage from Korea to Copenhagen. The company also announced last month a new agreement with Xpress Feeder Lines to supply their green methanol ships at the Port of Rotterdam from 2025.

Ahmed El-Hoshy, CEO, OCI Global said:

“Today's announcement cements OCI's position as the leading green methanol producer globally. It also represents another milestone in our decarbonization journey as a business, and our commitment to driving the energy transition.

It's positive that we are starting to see industry make that commitment too. We are seeing encouraging signs with regulatory support for both ammonia and methanol in shipping, such as the EU's FuelEU maritime regulation and the latest IMO strategy bolstering the value of low carbon and green methanol and ammonia relative to fossil fuels. It is clear that both fuels will need to play an integral role to reach the IMO's revised targets and OCI Global stands ready to supply them. However, these targets must be supported by practical mechanisms to continue to maintain momentum towards meeting global greenhouse gas emissions reduction targets.”

Bashir Lebada, CEO, OCI Methanol/HyFuels said:

“We continue to see more and more realization that methanol is the transportation sector’s most viable solution and the easiest way to transport and use renewable hydrogen today. It is a solution that is available now and our focus is on continuing to scale technologies whether through our projects or our supply partners, to ensure that our capacities continue to grow alongside demand. We are seeing increasing pull from road fuel markets due to the delay in EV adoption and charging station build-out and while marine demand has been growing at a very fast pace, we have yet to see the impact of retrofits which should end up being a larger segment than new-builds.

E-methanol will also be a new product for us, and with the RFNBO mandates in the coming years, will quickly become the blendstock of choice with gasoline to ensure compliance. We are also very excited to announce the expansion of our 13-year partnership with the City of Beaumont, this landfill will bolster our product portfolio with additional green fuels right in our backyard and add to our existing supply portfolio of RNG.”

Roy West, Mayor of Beaumont, said:

We’re pleased to partner with OCI on this exciting project, which further develops our long-term relationship with OCI as an industrial employer in Beaumont. This joint project will create societal and environmental benefits, including the reduction of greenhouse gas emissions and reduction in other air emissions resulting from landfill operations. This agreement is considered a win-win agreement for the city and OCI, as it allows the City to generate an additional revenue stream from its landfill operations while OCI will be able to use the renewable natural gas for its business.”

[oci-green-methanol-scale-upfinal.pdf](#)

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