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## \$40 Million Gas Plant Planned for Lakeland

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THE LEDGER

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**LAKELAND |** A New Jersey company plans to build a massive, \$40 million gas plant in eastern Lakeland that would be the second-biggest user of electricity in the city.

The plant, called an air separation facility, would be on 15 acres off North Combee Road near Saddle Creek Road and the Wilson Acres subdivision that the company is buying from the city for \$750,000.

The company's annual electric bill would be between \$3.5 million and \$4.5 million.

The main function of the plant, run by Matheson Tri-Gas Inc., would be to liquefy nitrogen, oxygen and argon and then to sell the gases to businesses in the area.

At Monday's agenda study meeting, Steve Scruggs, director of the Lakeland Economic Development Council, said it will be an economic windfall for the city.

"It would take a lot of companies to move here and expand to add \$40 million in capital investment and eight megawatts of electricity," Scruggs said.

The city plans to build a \$1.5 million substation for the company. City officials said they should see a return on the money spent within the first 36 months after the company starts operations, which should be spring 2012.

City Manager Doug Thomas said it was nice for the city to bring in a business of this magnitude during tough times.



*Provided to The Ledger*

Matheson Tri-Gas Inc. plans to build a \$40 million gas plant in eastern Lakeland. The facility would include an air separation unit like the one pictured above.

"We're very pleased," Thomas said. "For the longest time, companies just came in and kicked the tires.

"This is a significant tax base for the city and we're anxious to bring this across the finish line."

Central Florida companies that could be served by liquid tank trucks carrying different gases include hospitals and chemical and food companies.

Tom Larson, vice president of engineering at Matheson, said a large amount of electricity is needed for the company to reach a pure form of the gases.

The plant would use about eight megawatts of electricity, ranking near Lakeland Regional Medical Center's usage.

But the plant would use more electricity than LRMC because it would run constantly.

"Once they flip the switch, it stays on all the time," said Lakeland City Attorney Tim McCausland.

Profit for Lakeland Electric would reach millions of dollars each year if the facility is built.

From Oct. 1 through March 30, Lakeland Regional Medical Center paid \$2.1 million to Lakeland Electric.

Only six people would work at the plant, while there would be about 15 drivers transporting the liquid gases.

In addition, the company will require up to 100,000 gallons of reused water per day at a rate of 17 cents per 1,000 gallons.

City commissioners voted, 7-0, Monday to approve a water-and-electricity contract.

Thomas said he hopes to have a full deal in place in the next several weeks.

No other company will have a similar electric agreement with the city, which allows Matheson Tri-Gas to become both an interruptible and time-of-use customer.

Customers on time-of-use are able to take advantage of lower rates, which enable customers to pay less during off-peak hours.

About a dozen companies are classified as interruptible and get a discount rate for

their willingness to go without power during times of severe shortages.

Pepperidge Farm, The Ledger, Keymark Corp., Juice Bowl, Consolidated Container and Carpenter Co. are interruptible customers.

Currently, there are 16 Matheson Tri-Gas plants throughout the nation, including seven in Texas. One plant is in West Palm Beach.

Matheson's parent company is Japan's Taiyo Nippon Sanso Corp.

Officials from the company recently told planning and zoning board members about their plans for the facility. The planning and zoning board will hear the zoning case again at 8:30 a.m. May 17 because the company was forced to move its location south after an eagle's nest was found in the area.

Wilson Acres subdivision will be in the new notification area.

John Molnar, associate general counsel for Matheson Tri-Gas Inc., said the biggest building would be a cooling tower where the air intake occurs. There also would be two 1,500-ton storage tanks for oxygen and nitrogen and a smaller tank for argon.

Molnar said air is pulled from the atmosphere into a 150-foot cooling tower, then is broken down and stored in a liquid state inside a lined tank with 3 feet of insulation.

The cooling tower would require much of the electricity.

An 8-foot fence would surround the plant and as many as 15 trucks would leave the facility each night.

At the planning meeting, Tommy Rogers, who lives near Saddle Creek and Combee roads, questioned whether such a large plant should be located so close to homes.

He's concerned about noisy machines and too many lights. But safety is his biggest worry. He questioned what an explosion or spill would do to homeowners in the area.

Planning Board Member Keith Merritt also questioned the safety of the plant.

"Are there explosion hazards," Merritt asked.

David Balter, with Matheson Tri-Gas, said the company has never had an explosion or serious issue.

"There have been no accidents like you're talking about," Balder said to Merritt. "We

have a plant in Los Angeles right across the street from a day care and public parks.

"These facilities are safe," Balter said.

Rogers said he plans to travel to Orlando in the coming days to see a similar plant to determine how noisy it is.

He said he's not against the project.

"I'm not the wrench in the system," Rogers said. "It's a good approach as long as it doesn't impact the community."

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