

Kenai Blue Sky Coal Power

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Ground Truth Trekking

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KENAI FERTILIZER PLANT — Site of the now-closed Agrium plant near Nikiski — Get Photo (/photos/kenai-fertilizer-plant/)

The Kenai Blue Sky Coal Plant was a proposed (http://www.petroleumnews.com/pntruncate/455052233.shtml) $1.5-2 billion integrated gasification combined-cycle (IGCC) (CoalCombustionMethods.html) plant proposed by Agrium Inc. (http://www.agrium.com/) to be located near their Kenai fertilizer plant in Cook Inlet, AK. The plant was to provide both power and feedstock to the fertilizer plant. CO2 emissions from

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the plant might have been used to enhance oil and gas recovery at nearby wells. The coal was assumed to initially be provided by Usibelli Coal Mine Inc. (UsibelliCoalMine.html), but to later come from the eventual development of the Chuitna Strip Mine (ChuitnaCoalMine.html) which would be located on the other side of Cook Inlet from the Kenai facility. However, in March of 2008 estimated costs of the Kenai Blue Sky project exceeded $2 billion and the project was cancelled. Agrium Inc.cited a combination of high construction costs and the difficulty of finding investors as their reason for the decision. Without this new energy and feedstock source, and with declining natural gas supply in Cook Inlet (/Issues/AlaskaOilandGas/Natural-Gas-Cook-Inlet.html),the Kenai fertilizer plant has also been closed (http://www.marketwatch.com/story/agrium-to-close-nitrogen-fertilizer-plant-in-alaska). *[CO2]: carbon dioxide

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