

Energy

Exclusive: Houston chemical co. eyes growth despite coronavirus, weak oil prices 🔑

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David Schwedel is founder and executive director of Encina.
DARIO MALDONADO

By Joshua Mann – Senior reporter, Houston Business Journal
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The top executive at Houston-based Encina Development Group LLC is keeping an eye on **the effects of the coronavirus pandemic and recent plunge in oil prices**, but he doesn't think those things will change the way his company approaches the market.

Encina, which refines waste plastic into chemicals and gasoline blendstock, is looking to break ground on its first commercial-scale plant in the fourth quarter, said CEO [David Schwedel](#).

Right now, the company is looking at a handful of potential sites in the U.S. and negotiating the engineering, construction and procurement contract, Schwedel said. The Q4 groundbreaking will be followed by 18 months of build time at the site, Schwedel said. That's a long enough gap that he doesn't see a need to adjust his plans to fit current events, he said.

"Long term, I don't see that this influences our decision on where we build, how we build or even when we build," he said.

Schwedel thinks oil markets and the health crisis will stabilize over time, probably long before the plant hits the market.

The upcoming project is just the first step in a much longer-term plan, too, Schwedel said. With massive volumes of plastic waste being produced worldwide, Schwedel and his team are eyeing a global growth approach, with potential future assets in the Philippines, South Africa Belgium and Brazil, he said.

"Unfortunately for the world, there's a global problem with waste plastic," Schwedel said. "But, fortunately for us, there's a global problem with waste plastic."

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Encina directly employs 12 people in Houston right now, but that number could rise to around 80 in the next five years if all goes according to plan, Schwedel said.

Encina was founded six year ago, and it made a dramatic shift in its plans last year, Schwedel said. The company decided that, instead of refining coal into the chemicals it wanted to produce, it would use waste plastic as a feedstock, Schwedel said. That set back the plant's groundbreaking timeline as the company handled the additional engineering work, but it also cut the build time for the plant from two years to 18 months. On top of that, the new plant design is less expensive to build than the old one and more environmentally friendly, Schwedel said.

"It's the right decision for the business, for the environment and for our people," Schwedel said.



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