



## CITY COUNCIL SUPPLEMENTAL AGENDA

Monday, March 11, 2024 at 6:30 PM

City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

---

### PUBLIC NOTICE OF MEETING

---

**The following item will be addressed at this or any other meeting of the city council upon the request of the mayor, any member(s) of council and/or the city attorney:**

*Announcement by the mayor that council will retire into closed session for consultation with city attorney on matters in which the duty of the attorney to the city council under the Texas disciplinary rules of professional conduct of the state bar of Texas clearly conflicts with the open meetings act (title 5, chapter 551, section 551.071(2) of the Texas government code).*

**(All matters listed under the consent agenda item are routine by the city council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.)**

### AGENDA

*Council will consider/discuss the following items and take any action deemed necessary.*

Public Notice to add supplemental item(s) for agenda of the Regular Meeting of the City Council of the City of Port Lavaca, scheduled for Monday, March 11, 2024, beginning at 6:30 p.m., in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas:

#### I. SUPPLEMENTAL ITEMS

1. (Item 19) Consider approval of letter of support for Seadrift Coke's application for a "Bipartisan Infrastructure Law (BIL) Battery Materials Processing and Battery Manufacturing" (DE-FOA-0002936) grant for its "Expansion of Fully Operating Petroleum Needle Coke Facility" project and take any action deemed necessary. Presenter is Jody Weaver

#### CERTIFICATION OF POSTING NOTICE

This is to certify that the above notice to add supplemental item(s) for agenda of the Regular Meeting of the City Council of the City of Port Lavaca, scheduled for Monday, March 11, 2024, beginning at 6:30 p.m., was posted at City Hall, easily accessible to the public, as of 4:00 p.m., Friday, March 08, 2024.

/s/ Mandy Grant, City Secretary

## **COMMUNICATION**

**SUBJECT:** (Item 19) Consider approval of letter of support for Seadrift Coke’s application for a “Bipartisan Infrastructure Law (BIL) Battery Materials Processing and Battery Manufacturing” (DE-FOA-0002936) grant for it’s “Expansion of Fully Operating Petroleum Needle Coke Facility” project and take any action deemed necessary. Presenter is Jody Weaver

---

## **INFORMATION:**

Mayor Jack Whitlow,

Below is as brief overview of a proposed expansion project for Seadrift Coke. Seadrift Coke is applying for a grant through the US Department of Energy, Bipartisan Infrastructure Law (BIL), Battery Materials Processing and Battery Manufacturing, Funding Opportunity Announcement DE-FOA-0003099. This project is in its preliminary stages and has not been approved by our board at this time.

**Scope and objectives:** Seadrift Coke L.P (Seadrift), a subsidiary of GrafTech International Ltd. (GrafTech), proposes to expand its commercial-scale production of precursors for battery anode manufacturing to increase domestic production of these crucial precursors for use in transportation, stationary storage, and/or other energy applications. Seadrift is the only stand-alone petroleum needle coke (PNC) production facility in the U.S. Petroleum needle coke, a crystalline form of carbon derived from decant oil, is a key raw material used in the production of graphite electrodes and synthetic graphite for lithium-ion battery anodes. DOE funding will enable Seadrift to expand production capacity of its existing facility and establish a full-scale mini-plant adjacent to the existing facility.

Specific objectives are to:

- (1) Expand production capacity in the existing facility by installing a fourth coke drum and related infrastructure enhancements; and
- (2) build a one-of-a-kind, “oil to ion” mini-plant adjacent to the facility to produce PNC at a small scale and fully convert the PNC to battery anode material.

Once completed in 2027, the facility and mini plant may supply an additional 80,000 metric tons per annum (MTPA) of PNC to the domestic synthetic graphite battery anode supply chain.

**Feasibility:** Seadrift has been producing PNC, a precursor for battery anode materials, for the past 40 years. By using equipment specifically designed for PNC production (rather than converted from a petroleum coker), Seadrift is able to customize PNC for battery application without reliance of decant oil from a single refinery.

**Financing:** The total cost for the proposed expansion is \$160M, with Seadrift requesting less than half (\$75M) and providing the majority (\$85M) in cost sharing. Seadrift is actively exploring multiple sources of funding.

**Creating and retaining quality jobs:** Seadrift expects the proposed expansion to drive the need for at least 20 new permanent jobs, including 10 for the coker expansion and 10 for the mini-plant. Seadrift will market these positions to disadvantaged communities in the area and, where possible, use contractors for the construction of the facility who do the same. It is anticipated that construction will take approximately two years with an average of 130 workers annually, with a peak number of workers in excess of 275.

Regards  
Jay Cuellar



CITY OF  
**PORT LAVACA**



Item 1.

202 N. Virginia, Port Lavaca, Texas 77979 [www.portlavaca.org](http://www.portlavaca.org)  
Main Number: (361)-552-9793 Ext. 222 Main Facsimile: (361)-552-6062

March 11, 2024

The Honorable Jennifer M. Granholm  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Secretary Granholm:

The City of Port Lavaca is pleased to provide this letter of commitment in support of Seadrift's application for a "Bipartisan Infrastructure Law (BIL) Battery Materials Processing and Battery Manufacturing" (DE-FOA-0002936) grant for its "Expansion of Fully Operating Petroleum Needle Coke Facility" project.

Port Lavaca has two of the 23 DACs within the Golden Crescent area. It is a significant benefit for residents of Port Lavaca to be able to obtain a paid apprenticeship position, such as Production Technician or as an I&E Technician and earn an Associates of Applied Science in Process Technology that transitions into a well-paid full-time position. The focused opportunity to promote marketable training and well-paid full-time jobs is of great importance to the residents of the area. In addition, the opportunity for the Mayor or a Council member to serve on Seadrift Coke's Community Advisory Board and provide input on the project gives the community a voice in the project.

Seadrift Coke has had a relationship with the city since the plant was built in 1983, and Port Lavaca is home for many current and past employees. The City of Port Lavaca and Seadrift Coke have been parties to a long time Mutual Aid agreement and Seadrift Coke has provided Industrial Fire Training to many of Port Lavaca paid and volunteer firemen over the years. We have also appreciated the plant's support for the City's 4<sup>th</sup> of July celebrations.

Sincerely,

Jack Whitlow  
Mayor, City of Port Lavaca