

Exxon's New Potential Disaster: Coastal Plains

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Background:

ExxonMobil's proposed Coastal Plains ethane cracker facility in Point Comfort, Texas, promises economic development, job creation, and industrial growth to the area. Ethane cracker facilities "break" ethane's molecular bonds to create ethylene, the building block of plastic¹. However, beneath these projections lie a reality of inflated economic claims, environmental degradation, and market uncertainty. Overall, the Coastal Plains facility would be a site of distress and destruction: it burdens taxpayers with excessive subsidies, threatens an already compromised ecosystem, undermines local community well-being, and perpetuates the global crisis of plastic pollution. Despite applying for tax abatements under Texas' "Jobs, Energy, Technology and Innovation Act," the project stands as a classic example of industry-driven overdevelopment compromising long-term sustainability.

The Coastal Plains facility poses serious environmental and public health risks, both through its direct operations and its role in the broader crisis of plastic production. From its start as a petrochemical product to its disposal, plastic is an environmental risk.² The life cycle begins with the extraction of ethane, primarily through fracking, which releases methane—a potent greenhouse gas—and contaminates local water supplies. Once transported to the facility, the ethane is "cracked" into ethylene, a process that emits

carcinogens and fine particulate matter, all of which are harmful to human health. Ethylene goes into a variety of polyethylene, often single use packaging such as food packaging and bottles³. Only 5% of plastics are recycled in the U.S., contributing to widespread pollution⁴.

Locally, the facility would be constructed adjacent to the Formosa Plastics plant, an industrial neighbor already known for pollution, which would compound the environmental burden on the area. The Formosa facility was also the defendant in a Clean Water Act suit filed by Diane Wilson and San Antonio Bay Estuarine Waterkeeper in 2019. They won a \$50 million settlement and zero discharge of plastic mandate, the largest settlement by a citizen in the history of the Clean Water Act⁵. This raises concern in a region increasingly affected by climate stress amid prior pollution. Moreover, the proposed site is directly in front of a site being developed for an oyster farm, one of the largest in Texas⁶. This will threaten not only the ecological balance of Matagorda, Lavaca, Keller, and Cox Bays but also the livelihoods of commercial fishermen whose livelihoods depend on the health of the bays. If built, Exxon and Formosa Plastics, which is located across the street, will work in conjunction to further threaten the local shrimping and oyster industry that is the pride of Calhoun County.

Financial Uncertainties:

ExxonMobil has significantly overstated the economic benefits of the Coastal Plains ethane cracker project, according to an independent analysis by the Institute for Energy Economics and Financial Analysis (IEEFA). While the company originally claimed the facility could generate over 10,000 direct jobs during construction, IEEFA estimates the actual number to be closer to just 2,380⁷. Because of this, IEEFA argues that the projected tax revenues have been inflated by approximately \$189 million⁸. Another concern is ExxonMobil's request for a \$242 million public tax subsidy—an enormous public expenditure as the company is only required to create a minimum of ten positions⁹. The lack of transparency around the subsidy and initial public meetings in regard to potential tax abatements raises serious questions about accountability. In effect, substantial public funds could be funneled into a project that offers limited, if any, sustainable economic return for the surrounding community.

The Coastal Plains project also faces serious financial risks due to market oversaturation and uncertain global demand. The domestic market for ethylene and propylene—the key products of the proposed facility—is

already saturated, with weak demand¹⁰. As a result, the facility may rely heavily on export markets to turn a profit, tying its success to volatile international demand and pricing. This dependency introduces significant risk, especially in a rapidly changing global economy seemingly shifting away from fossil fuel-based industries¹¹. A cautionary example can be found in Corpus Christi, where a similar plastics facility has been under pause due to “challenging factors”¹²¹³. The parallels between the two projects suggest that Coastal Plains may be ill-advised, raising serious doubts about its long-term viability and continuing to funnel public and private resources into an unstable and outdated business model.

The Coastal Plains ethane cracker facility is not the economic engine its proponents claim it to be. It is a high-risk, high-cost venture with disproportionate harm to local ecosystems, public health, and community well-being. Rather than supporting another fossil-fuel-dependent infrastructure project, policymakers and financiers should invest in sustainable industries that align with long-term economic, environmental, and social priorities. The Coastal Plains project is a step in the wrong direction — and it must be stopped.



Endnotes

- 1 Fox, A. (2024, July). *How Plastics Are Produced*. Friends of the Earth. <https://foe.org/blog/how-plastics-are-produced/>
- 2 Fox, A. (2024, July)
- 3 *Uses & Benefits*. (n.d.). American Chemistry Council. <https://www.americanchemistry.com/industry-groups/olefins/uses-benefits>
- 4 Gammon, K. (2022, May 5). *US is recycling just 5% of its plastic waste, studies show*. The Guardian. <https://www.theguardian.com/us-news/2022/may/04/us-recycling-plastic-waste>
- 5 Root, T., and Winters, J. (2025, February 5). *Exxon is quietly planning a new \$8.6 billion plastics plant in Texas*. Grist. <https://grist.org/accountability/exxon-plastics-plant-point-comfort-texas/>
- 6 Root, T., and Winters, J. (2025, February 5)
- 7 Cowan, T. and Sinha, A. (2025, February 19). *IEEFA comments to Texas Comptroller regarding submission from Exxon Mobil*. <https://ieefa.org/resources/ieefa-comments-texas-comptroller-regarding-submission-exxon-mobil>
- 8 Cowan and Sinha (2025)
- 9 Texas Comptroller of Public Accounts. (2024). *Jobs, Energy, Technology and Innovation Act (JETI)*. <https://comptroller.texas.gov/economy/development/prop-tax/jeti/>
- 10 Sanzillo, T. (2024, January 23). *Seen as Industry Savior, Petrochemicals Losing Financial Appeal*. IEEFA (p. 72). <https://ieefa.org/resources/once-seen-industry-savior-petrochemicals-losing-financial-appeal>
- 11 Moreira, M. S. (2024, October 24). *Oversupply and Rationalization—What's on the Other Side of the Valley?* Chemical Market Analytics by OPIS, a Dow Jones Company. <https://chemicalmarketanalytics.com/insights/oversupply-and-rationalization-whats-on-the-other-side-of-the-valley/>
- 12 Smelser, M. (2023, October 6). *Corpus Christi Petrochemical Plant Announces “Pause” on Construction*. Beyond Petrochemicals. <https://www.beyondpetrochemicals.org/news/corpus-christi-petrochemical-plant-announces-pause-on-construction>