



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
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VIA ELECTRONIC MAIL

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Re: In the Matter of Port Hamilton Refining and Transportation
Index No. CAA-02-2023-1003
Material Removal Options Report

Dear Mr. Rodriguez, Mr. Morrison, and Ms. Domike:

This letter is in response to the Material Removal Options Report ("Options Report") submitted on behalf of your client, Port Hamilton Refining and Transportation ("PHRT"), to the United States Environmental Protection Agency ("EPA") on January 20, 2023, pursuant to the requirements of the above-referenced Administrative Order on Consent (the "Order"). As required under the Order, the Options Report included, among other things, options for the safe removal of the ammonia from the Anhydrous Ammonia Drum, the Liquefied Petroleum Gas ("LPG") from LPG Unit #3, and the amine solution and the associated hydrogen sulfide ("Amines") from the Amine Units (collectively, the ammonia, LPG, amine solution, and hydrogen sulfide are referred to as the "Materials"). Schedules had been submitted for each process on January 20, however EPA requested more detailed comprehensive schedules, which were submitted to EPA on January 30, 2023 (the "Schedules"). At EPA's request, on February

7, 2023, PHRT submitted additional detail on the needed repairs to the equipment that contains the Materials, and the status and schedule for the performance of repairs.

In this letter, we will address each of the Materials covered by the Order separately. EPA is approving the proposed option for one of the Materials, and is conditionally approving the proposed options for the other two Materials, set forth in the Options Report and the Schedules, pursuant to the terms below.¹ As described by PHRT in its January 30, 2023 cover letter transmitting the Schedules, the ammonia will be removed first, followed by the LPG, and then the Amines.

Ammonia

EPA is approving the submitted plan for the removal of ammonia, as set forth in the Options Report and the Schedules, which provide for the completion of certain repairs prior to the removal of ammonia. As is the case for all work done pursuant to the Order, if there are any changes made to the ammonia system repair schedules submitted to EPA, PHRT must promptly notify EPA.

Liquefied Petroleum Gas

EPA is conditionally approving the submitted plan for the removal of the LPG, as set forth in the Options Report, subject to PHRT satisfactorily addressing the comments below.

- PHRT shall apply to the Virgin Islands Department of Planning and Natural Resources (“DPNR”) for, and comply with, any necessary air permits related to the removal of the LPG and send copies of such air permit applications and, once received, copies of the air permits, to EPA Region 2. The applications should include, *inter alia*, emission limits, monitoring, recordkeeping, reporting, and any stack testing requirements from the applicable federal and Virgin Islands air regulations. EPA expects that PHRT will include in the permit application, *inter alia*, information related to the thermal oxidizer, boiler, scrubber and carbon bed.
- PHRT shall determine the hydrogen sulfide (“H₂S”) concentration in the LPG and provide this determination in writing to EPA. It is likely that at least some of the LPG that will be removed is “sour LPG,” i.e., LPG that has a concentration of H₂S, that was not removed prior to shutdown. Therefore, PHRT shall submit a written explanation to EPA regarding any additional steps it would take to address the removal of any sour LPG.
- The Options Report provides for the use of a thermal oxidizer, which is a combustion device, to address the residual vapors from the LPG vessels/piping. PHRT shall submit a written explanation describing the applicable New Source

¹ Note that this approval addresses the requirements of the Order and does not address the requirements of the Joint Stipulation in *United States v. Limetree Bay Terminals, LLC, West Indies Petroleum Limited, Port Hamilton Refining & Transportation, LLLP, Transition Refinery Entity, LLC*, case no. 1:21-cv-00264-WAL-EAH.

Performance Standards (“NSPS”) requirements for fuel gas combustion devices under 40 C.F.R. Part 60, Subpart Ja, and how PHRT intends to comply with those requirements (including the emission standard and associated continuous monitoring of H₂S in the vapors being combusted).

- PHRT shall provide a schematic showing the LPG process vessels, the location of the thermal oxidizer, and the location of any required NSPS Subpart Ja H₂S monitoring.
- PHRT shall provide a written explanation of the applicability of the Maximum Achievable Control Technology (“MACT”) Subpart CC provisions for miscellaneous process vents (see 40 C.F.R. § 63.643) to the LPG removal process, and how PHRT proposes to comply with all applicable Subpart CC emissions standards, monitoring, recordkeeping, and reporting requirements.
- The Options Report states that the thermal oxidizer will have “[s]upplemental fuel injection for rapid process adjustments available” and notes that the fuel will be natural gas. However, as natural gas is not the supplemental fuel usually used on St. Croix, PHRT shall confirm what fuel source will be used in the thermal oxidizer, and if it is natural gas, confirm that it has a source of natural gas available in sufficient quantity for such use.
- PHRT shall provide the estimated total emissions of any Clean Air Act criteria pollutants and/or hazardous air pollutants that will result from the LPG removal/combustion processes.

Amines

EPA is conditionally approving the submitted plan for the removal of the Amines, as set forth in the Options Report, subject to PHRT satisfactorily addressing the comments below.

- PHRT shall apply to the VIDPNR for any necessary air permits for the removal of the amines and send copies of such air permit applications to EPA Region 2. The applications should include, *inter alia*, the emission limits, monitoring, recordkeeping, reporting, and any stack testing requirements from the applicable federal and Virgin Islands air regulations. EPA expects that PHRT will include in the permit application, *inter alia*, requirements related to the boiler, scrubber and carbon bed.
- PHRT shall explain the applicability of the MACT Subpart CC provisions for miscellaneous process vents (see 40 C.F.R. § 63.643) to the Amines removal process, and how PHRT proposes to comply with all applicable Subpart CC emissions standards, monitoring, recordkeeping, and reporting requirements.
- PHRT shall provide the estimated total emissions of any Clean Air Act criteria pollutants and/or hazardous air pollutants that will result from the amine removal/disposal processes.
- Consistent with the Options Report, PHRT shall use propane as fuel in the boiler. PHRT shall confirm to EPA (and in the permit application) that the carbon unit vent will not emit any sulfur dioxide (SO₂), H₂S, or volatile organic compounds (VOCs).

- The proposed option for the approximately 200,000 gallons of amine tank rinse water that will be generated during the amine removal process is to either store or dispose of it off-site. This option does not include using the wastewater treatment plant for the treatment and/or discharge of any of the rinse water through Outfall 001 or otherwise into nearby waters. In recent meetings and in the Executive Summary, PHRT has indicated that they would like to retain the option to treat the amine tank rinse water on-site at the wastewater treatment plant. This option is not authorized by any existing TPDES permit for the facility. Therefore, if there is any intention of utilizing the wastewater treatment plant to treat and discharge any of the amine tank rinse water, PHRT would have to apply for and obtain final TPDES permit coverage before such a discharge could occur. PHRT should be aware that the effluent monitoring, as described as an example in the proposal for ARU System 4 as monitoring constituents for color, pH, solids, H₂S, and detergent availability, is not sufficient to authorize the use of and discharge from the wastewater treatment plant. EPA has previously provided NPDES Form 2C to PHRT, which includes the effluent characterization required to authorize discharges from on-site treatment.
- Transfer of Materials and storage are to be handled in a controlled area, and any spills contained and cleaned up, to prevent any unpermitted discharge of Materials, such as through a storm water outfall.

Pursuant to Paragraph 42.f. of the Order, PHRT shall, as soon as possible, but no later than five days after receiving this written approval, direct its contractors to commence the approved actions in accordance with the Options Report and approved Schedules. PHRT shall reply in writing to EPA within twenty days of its receipt of this letter and provide information regarding how they are meeting the conditions set forth in this letter. If additional time is needed to address some of the comments, a supplemental response may be submitted thereafter. In addition, please note that pursuant to Paragraph 42.f. of the Order, PHRT shall submit weekly progress reports to EPA during the field work until the approved actions with respect to each of the Materials are completed.

Please contact Doug Kodama, Chief of EPA's Response and Prevention Branch at (732) 906-6905 or kodama.doug@epa.gov if you have any technical questions about this matter. For any legal questions, please contact Jean Regna at (212) 637-3164 or regna.jean@epa.gov.

Sincerely,

Pat Evangelista, Director
Superfund and Emergency Management Division

cc: Gary Steinbauer, Esq.
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