

EPA REGION 2

Internal deliberative pre-decisional - FOR USE BY 2024 PRESIDENT-ELECT TRANSITION TEAM MEMBERS ONLY

ISSUE SUMMARY:

EPA continues to monitor conditions at the idled Port Hamilton Refining and Transportation (PHRT) oil refinery on St. Croix, US Virgin Islands, and work with the U.S. Department of Justice to ensure that if PHRT is going to restart the refinery, it will fully comply with the legal agreements that EPA entered into with the prior owner and operator. As of the fall of 2024, PHRT has begun to implement an Administrative Order on Consent (AOC) issued by EPA on 8/23/24, requiring the company to safely remove liquified petroleum gas (LPG) present in two units on-site, as a result of risks posed by the manner in which the material is being stored.

KEY POINTS:

The prior owner of the refinery, Limetree Bay Refinery (LBR), shut down the refinery in June 2021 after several issues in running the refinery and the issuance by EPA of an emergency order under the Clean Air Act. LBR then went into bankruptcy, and in 2022, the refinery was purchased by PHRT and West Indies Petroleum Ltd. (WIPL). The refinery has not been operating during the ownership of PHRT and WIPL, although PHRT has expressed its desire to reopen the refinery at some time in the future. At least 90 days before any refinery restart, PHRT will need to provide EPA with notice and certain specific information and documentation. There are two outstanding Clean Air Act matters before the courts with active disputes relating to actions that must be taken prior to the refinery reopening.

The PHRT refinery is adjacent to residential areas. Region 2 hosts periodic community meetings with local environmental groups and the community to provide updates on the refinery.

There are additional regulatory and permitting issues relating to the refinery, including the need for a new Clean Water Act permit, an issue about which EPA has been in communication with the Virgin Islands Department of Planning and Natural Resources.

ONGOING/UPCOMING REVIEWS FOR FY2025:

During FY2025, Region 2 will continue to oversee PHRT's implementation of the 8/23/24 AOC..

KEY EXTERNAL STAKEHOLDERS:

- | | | | | | |
|---|---|--|---------------------------------|--------------------------------|---|
| <input type="checkbox"/> Congress | <input type="checkbox"/> Industry | <input checked="" type="checkbox"/> States | <input type="checkbox"/> Tribes | <input type="checkbox"/> Media | <input type="checkbox"/> Other Federal Agency |
| <input checked="" type="checkbox"/> NGO | <input checked="" type="checkbox"/> Local Governments | <input checked="" type="checkbox"/> Public | | | |

MOVING FORWARD:

Region 2 will ensure work under the AOC is completed.

It is unknown when PHRT will initiate the process to restart the refinery. If PHRT wishes to restart the refinery, they will need to first meet a number of requirements under the various existing legal agreements and environmental laws and regulations.