

The Virgin Islands Consortium

Monarch Energy Says No 'Sense Of Urgency' From HOVENSA To Sell

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Monarch Energy Partners side-by-side with the HOVENSA Refinery.

We don't know why there is not a sense of urgency because the longer the refinery sits idle, the more dire things get in the eyes of the EPA. --Darryl Hardy

Monarch Energy Partners, the company that has been pushing to purchase the HOVENSA refinery, even as it had no Operating Agreement to do so, has continued its fight behind the scenes. One of its officials visited St. Croix during the recent Agricultural

Fair weekend in hopes of meeting with leaders who would advise on how to move forward.

Monarch Energy Partners is no closer to purchasing the refinery than it was when it first came on the scene last September, but according to company official, Darryl Hardy, "the fight is not over."

Hardy spoke to *VI Consortium* about the company's continuing efforts.

"Our main objective is to open the [HOVENSA] refinery, and we understand that there are many steps in the process, and it was important that everyone sees us still because the average person doesn't get to see the day-to-day fight that goes on behind the scenes in big business, and we didn't want anyone to lose sight of us. We're still doing everything necessary to acquire the facility behind the scenes. We wanted to let the people know that we're still in the fight, and that was the purpose of our coming back during the Agricultural Fair," Hardy explained.

Hardy said he wasn't aware of any other company that was attempting to buy the refinery after the [failed ABR deal](#) apart from Monarch, and vowed to continue working until their efforts produced fruits.

Robert Shrader, company founder, spoke of love for the people and territory and, to be sure, the refinery itself. Most importantly, however, he highlighted the business opportunity currently laying dormant on St. Croix's south shore.

"As far as our business model, we love the location, we love the facility, equipment -- the overall opportunity fits what we want to do right now," Shrader said.

Shrader also said the first step the company would take if successful in purchasing the refinery is to make sure it is in compliance with all U.S. Environmental Protection Agency (EPA) standards.

"We want to address environmental concerns to make sure there is no further migration or degradation of the existing environmental liabilities. Make sure there is nothing moving offsite, and put our plan in place to begin active remediation," he said.

"Second, and most importantly, is to get the refinery opened. Based on what we know right now, we've said we can get this refinery up and running in six to nine months, and that may be doable, [it would be opened] definitely within a year. So, we want to get the refinery open and the people back to work. That's the two main things we're looking to accomplish, if we're able to successfully acquire HOVENSA," Shrader added.

When asked if Monarch would be hiring before the refinery comes back online, Shrader said the process of getting the refinery operational again would create some local jobs.

"There are other services, [including] environmental that will create some local jobs, and restarting the refinery would create local jobs. Now, that won't be the maximum; our plan is to start small to reopen the refinery, and then build from there to maximum capacity that we could sustain," he explained.

Still, the path for Monarch remains daunting, as there is currently no defined sales process, and although the company was contacted by Lazard Asset Management, the company hired by HOVENSA to facilitate the sale of the refinery, and resubmitted an offer, nothing tangible has come of it.

"The complexity of this acquisition at this time is that there's no defined sales process," Hardy said. "We were contacted by Lazard again in the beginning of January, and we resubmitted an offer. We know now that the offer was presented to HOVENSA representatives because we have confirmation of that; however, we have not heard anything for the past month, and this is a challenging part of this process because things should be moving quickly now."

"We don't know why there is not a sense of urgency because the longer the refinery sits idle, the more dire things get in the eyes of the EPA. And in my eyes right now, that's most important," Hardy said.