

The Virgin Islands Consortium

ArcLight/GVI Operating Agreement Ratification Or Rejection Set For Tuesday In St. Thomas

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ST. CROIX -- Members of the 31st Legislature will gather at the Earl B. Ottley Legislative Hall in St. Thomas for a critical session on the ArcLight Capital Partners, LLC and Government of the Virgin Islands HOVENSA operating agreement on Tuesday, that will determine whether the shuttered oil refinery on this island's south shore will be reopened as an oil storage terminal early 2016, to be ran by Limetree Bay Holdings, LLC, a subsidiary of ArcLight Partners.

Senators at hearings on St. Thomas and here took to task the principles of ArcLight and officials of the Governor Kenneth Mapp administration, and some, including Senator Kurt Violet, even recommended amendments they would like to see added to the agreement

before tomorrow.

And while a consensus has been building in the 31st Legislature that would see the measure being ratified and forwarded to the governor, the agreement's fate is hard to gauge, as some senators have openly expressed doubts, while others have given mixed signals.

Approval of the deal would see the GVI netting \$220 million. But it would also give ArcLight a pass on taxes, and the company has only committed to operating the oil storage terminal, which it says requires a minimum of 80 employees, with the potential of growth to about 200 in two years. ArcLight recently told The Consortium that it has been in discussions with serious players in the oil industry, who have expressed interest in restarting some refining units on the east of HOVENSA. And they expect contractors to hire employees, too, which would bring the estimated 80-200 number considerably higher overtime.