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EPA Withdraws Plantwide Permit Given to Limetree Bay Under Trump Administration; Agency to Review Clean Air Act Requirements for Facility

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The U.S. Environmental Protection Agency in a release issued Thursday said it has withdrawn its Clean Air Act “plantwide applicability limit” (PAL) permit for the Limetree Bay Terminals and Limetree Bay Refining facility on St. Croix, which was originally issued by EPA on December 2, 2020 under the Trump administration.

The EPA cited "concerns raised by and appeals filed by non-governmental organizations, members of the community and the company itself" for its action to withdraw the permit. In recent times there has been an effort to raise awareness of the permit, with [Yahoo News](#) and left-leaning

major American news publication the Washington Post publishing stories on the major oil spill that ultimately amounted to over 300,000 barrels of petrochemicals being released underground. The Washington Post's article is titled, "[The Islands Where it Rained Oil](#)".

And on the heels of Limetree Bay's announcement that it had restart oil refining [on February 1](#), four environmental groups filed a lawsuit that called for the review of the permit awarded to Limetree Bay by the EPA.

In a statement issued to the Consortium, Limetree Bay said, "While we are disappointed in the EPA's decision and believe it is inconsistent with the agency's previous commitments, it is important to note that the PAL does not affect our current operations. Rather, it would have streamlined the permitting process for potential future investment in the refinery to allow Limetree to more quickly respond to market and customer demands, while also imposing tighter emissions limits than our current operating permits."

Governor Albert Bryan stated, "The withdrawal of this permit, known as the Plantwide Applicability Limit (PAL) permit, does not require Limetree to cease its operations. Rather, the withdrawal of this permit is part of a larger effort of the Biden Administration to review the environmental actions of the prior Trump administration and subjects this particular permit to another round of review.

"This additional review and scrutiny provides a greater opportunity to ensure that the health of our local community, particularly our community in St. Croix, is protected. My administration and Limetree welcomes this additional review and will work with the new administration to make sure that our people and environment are protected and that proper regulatory requirements are in place for Limetree's use and planned use of the facility.

"The PAL permit is just one of many permits that govern Limetree's operations. During this review process, Limetree will continue to operate, continue production, and will continue to operate in compliance with the other permits in place that require strict and rigorous air and emissions monitoring."

The EPA said the Limetree Bay facility is located "in a community with environmental justice concerns," adding that, "ensuring that the needs of overburdened communities are taken into account is a priority for EPA. The withdrawal of the PAL permit does not require the facility to discontinue operations," the agency said.

In a carefully worded statement issued to the media Thursday afternoon, Delegate to Congress Stacey Plaskett echoed the EPA by stating that the withdrawal of the PAL permit does not affect "restart operations at the facility."

"The withdrawal of the PAL permit will not discontinue the restart of operations at the facility. My office will continue to work with the relevant stakeholders to fortify our economy and sustainable skilled jobs in the Virgin Islands while we balance such with protecting our natural resources and ensuring the health and safety of Virgin Islanders - our greatest resource," Ms. Plaskett said.

The EPA said it was reconsidering the PAL permit in light of information received during the permitting process and President Biden's executive orders that federal agencies review environmental actions taken during the previous administration. The agency said it will undertake a thoughtful, timely, technical and legal review of the regulatory requirements applicable to the facility under the Clean Air Act that will engage a broad range of stakeholders. A Clean Air Act

PAL permit like the one issued to Limetree Bay gives a regulated entity some flexibility for how it manages air pollution emissions from modifications at a permitted facility, the EPA said.

“Withdrawing this permit will allow EPA to reassess what measures are required at the Limetree facility to safeguard the health of local communities in the Virgin Islands, while providing regulatory certainty to the company,” said EPA acting Regional Administrator Walter Mugdan. “Today’s decision exemplifies good governance and EPA’s commitment to addressing critical environmental justice and economic concerns in the Virgin Islands with a broad range of stakeholders.”

According to the EPA, the PAL permit was issued on December 2, 2020, it never became effective under EPA regulations due to the timely appeals that were filed with EPA’s Environmental Appeals Board (EAB) by a consortium of environmental and community groups as well as Limetree Bay itself. In their appeals, both sides asked that the permit be sent back to EPA so the Agency could consider their objections to the permit, the agency stated.

"By withdrawing the permit today, EPA can consult with the affected parties, reassess the permit, and review the legal requirements applicable to the facility under the Clean Air Act outside of EAB’s process," the EPA said, adding that its withdrawal renders moot the appeals of the permit to the EAB and withdraws the agency’s responses to comments filed in support of the December 2020 permit.

The result of the withdrawal is that Limetree Bay, at this time, will not be afforded the operational flexibilities provided by the PAL provisions of EPA’s Prevention of Significant Deterioration regulations under the Clean Air Act, according to the release. Additionally, the EPA’s withdrawal of the PAL permit does not affect Limetree Bay’s obligation to comply with existing Clean Air Act requirements, including multiple federal pollution control standards under the New Source Performance Standard and National Emission Standards for Hazardous Air Pollutants programs and various PSD permits issued by EPA, the agency said. Limetree also has ongoing obligations under permits issued by the U.S. Virgin Islands. The facility is also subject to a Clean Air Act consent decree.

The EPA described Limetree Bay Terminals and Limetree Bay Refining facility as a "complex, integrated petroleum refinery, consisting of refinery process units and various supporting operations including sulfur recovery plants, steam and electric power generation via boilers and gas turbine cogeneration units, wastewater treatment, and a marine terminal."