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Over 300 Laid Off From Limetree Bay as Effects of Refining Halt Take Hold

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The Limetree Bay Facility on the South Shore of St. Croix. By. ERNICE GILBERT FOR VI CONSORTIUM

Over 300 workers at the Limetree Bay facility on the south shore of St. Croix were laid off Friday, a direct result of the [oil refining halt](#) that is projected to last for 60 days based on an Environmental Protection Agency order.

The latest redundancy at the facility was not the first since oil refining ceased. During a [May 18 meeting with senators](#), company CEO Jeffrey Rinker said contractors within the refinery had been laying off workers because there was not much to do at the facility since oil refining was paused following a [May 12 flare incident](#) that sent plumes of smoke mixed with oil particles billowing

west of St. Croix.

A request for comment on the layoffs from Limetree Bay Relations Specialist Erica Parsons was not provided at time of writing.

The massive layoff follows [a recent order](#) by the EPA that provided conditions Limetree Bay must meet before oil refining could resume, including a June 16 directive to develop and submit within 15 days a plan to install, operate and maintain nine hydrogen sulfide (H₂S) monitors and nine sulfur dioxide (SO₂) monitors on St. Croix.

"Repeated, recent incidents at the facility have raised significant health concerns and reinforced the need for air monitors to be in place and operational," the EPA said.

Limetree Bay responded by stating that it would evaluate the EPA's latest order as it worked toward a restart of oil refining, and said it had started the process of voluntarily installing monitors. "Limetree Bay is currently evaluating the EPA order as we continue to work towards a safe restart," Limetree Bay said in a statement. "As part of the company's commitment to being a good neighbor and responsible member of the St. Croix community, Limetree has been conducting fence line monitoring for hydrogen sulfide and sulfur dioxide since the latter part of April. We voluntarily committed to installing sulfur dioxide monitors at five locations in the surrounding neighborhoods, and in response to further requests from the community we are expanding this commitment to include monitors for hydrogen sulfide at the same five locations. We expect all of the monitors to be operational by September. Limetree is committed to protecting air quality, and we will continue to work cooperatively with the EPA and the local government in preparation for a safe and compliant restart."

Governor Albert Bryan, whose aim has been to help facilitate a safe restart of the refinery and has pointed to the importance of Limetree Bay to the St. Croix economy, said he welcomed the EPA's order. "We welcome the EPA's help in this matter, and we welcome the findings and the recommended actions aimed at protecting the community and ensuring a safe restart to refinery operations at Limetree Bay. I have been in constant communication with EPA Regional Acting Administrator Walter Mugdan as well as EPA Headquarters and have received assurances from both that the conditions announced are not intended to prevent the restart of the refinery in a timely fashion," Mr. Bryan said.

He added, "Most importantly, I have been assured by the CEO of Limetree Bay Refining that Limetree Bay is both willing and able to comply with the conditions set by the EPA to include the request for additional monitoring stations on the island. Our position throughout has always been to ensure the health and safety of St. Croix residents, protect the environment and ensure the Virgin Islands realizes the full economic benefit of refinery operations, and I will continue to work with Limetree Bay and the EPA toward that end."

The survivability of Limetree Bay has been called into question in recent times in various news reports emanating from the U.S. mainland, including a recent report from [Inside Climate News](#) that cited oil and gas experts who say Limetree Bay could be at risk of bankruptcy "as the harsh financial realities the plant faces begin to emerge, including significant loan defaults and a growing number of lawsuits."

Recently, ArcLight Capital Partners LLC, which in 2016 purchased the mothballed HOVENSA refinery for \$190 million with the hope of restarting the facility along with other investors, [parted ways](#) with Limetree after losing hundreds of millions of dollars on the investment. Since last year, Limetree Bay has been controlled by EIG Global Energy Partners, which has poured hundreds of

millions of dollars into the refinery and the storage terminal.

ArcLight Partners was not only one of the major investors, it was the initiator of the entire restart effort and parent company of the deal. However, ArcLight — a U.S. private equity firm which invests the retirement savings of Maine teachers, NFL football players and Mayo Clinic doctors, according to Reuters — could not sustain continued investments as refining restart got delayed and the Covid-19 pandemic complicated matters. EIG, a leading institutional investor to the global energy sector and one of the world's leading infrastructure investors, stepped in and hence took a majority stake. To provide context on EIG's scale, in April the company [signed a \\$12.4 billion infrastructure deal with Aramco](#).