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St. Croix Energy Wins Bid for Limetree Bay Refinery; Company Plans Restart With Safety in Mind

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LIMETREE BAY REFINERY By. ERNICE GILBERT/VI CONSORTIUM

ST. CROIX — St. Croix Energy on Thursday afternoon won the bankruptcy court auction for Limetree Bay Refinery, a major development in the history of the south shore facility and an outcome that is likely to see the refinery restart if the company can get past environmental and regulatory hurdles it must overcome.

In a [statement](#) provided to the media following the successful outcome, St. Croix Energy Director of Communications and Public Relations, Ashley Scotland, said, "Emerging as the top bidder for the LBR asset is a good thing, however SCE continues to remain focused and steadfast on accomplishing the other milestones necessary for our company and the US Virgin Islands

community to see a safe and environmentally conscious restart of the LBR facility."

A number of scrapers — groups that intended to purchase the facility to dismantle and sell all of its useful parts — were part of the Thursday auction. Goldman Sachs was also part of the bidding, but in the end, St. Croix Energy, which had raised its bid to \$29 million — a \$9 million increase from its [stalking horse offering](#) of \$20 million — was elected the winning bidder. The additional \$9 million is funding from St. Croix Energy to cover professional fees of the debtor through a transitional service agreement which will have the debtors (current Limetree Bay) operate the refinery on behalf of SCE, the company said.

While it was making moves behind the scenes, St. Croix Energy's presence as part of the auction was [exclusively announced](#) by the Consortium on Sept. 15, the same day the company entered what is called a Notice of Appearance in the bankruptcy proceedings.

The process was overseen by Judge David Jones, the chief bankruptcy judge for the Southern District in Houston, Texas.

Environmental Protection Agency hurdles

With St. Croix Energy being elected the bid winner, it is expected to turn its focus on addressing a number of challenges. From agreements signed with St. Croix residents affected by [the massive May 12 flare incident](#) that resulted in an [indefinite halt of refining](#), to [hardened oil still sitting in pipelines](#), and navigating [substantial Environmental Protection Agency obstacles](#).

Brief backstory

Limetree Bay Refinery had [commenced oil refining on February 1](#) after a costly yearlong delay exacerbated by the global Covid-19 pandemic. The refinery was shutdown since 2012 prior to the February restart, and was revived after investors aligned with EIG and [ArcLight Capital](#) poured about \$4.1 billion into the restart effort.

If St. Croix Energy is successful in restarting the facility, it would be the second restart attempt following the 2012 closure. In a release issued early Oct., St. Croix Energy said, "We are 100 percent committed — not just to the sustainable, economic growth of St. Croix — but also to the environment and to the Virgin Islands as a whole, since most of the partners live here."

"The St. Croix Energy team firmly believes that we can develop the appropriate strategic partnerships to operate the refinery in an EPA-compliant way, and in a manner that will protect the community and provide employment for many of our neighbors here in the Virgin Islands. While others may be driven solely by profit, our partners live on St. Croix and are therefore interested in what is best for the territory and being good fiduciaries of the natural resources of the Virgin Islands, which is ultimately an environmentally safe restart," the company further stated.

The firm said it is comprised of "businessmen with deep roots in the Virgin Islands, along with industry professionals that have decades of experience in the refining, marketing, and renewable fuels sectors."

Correction: Nov. 20, 2021

A previous version of story, because of a text error, included Ashley Scotland as Limetree Bay's director of communications and public relations. That's incorrect. Mr. Scotland is St. Croix

Energy's director of communications and public relations. We've updated the story to reflect the correct information.

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