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Restart Hurdles For Refinery on St. Croix Pile Up as EPA Announces New Clean Air Act Permit Requirement

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The St. Croix oil refinery located on the island's south shore, now owned by Port Hamilton Refining and Transportation. By. ERNICE GILBERT/ V.I. CONSORTIUM

The U.S. Environmental Protection Agency on Thursday announced that the oil refinery on St. Croix may not resume operations without obtaining a new comprehensive Clean Air Act permit.

The new permit, called a Prevention of Significant Deterioration (PSD) permit, would require detailed air quality analyses and the use of the best available air pollution control technology, the EPA said.

According to the federal agency, the refinery is located "near historically marginalized communities that are overburdened with pollution, including pollution from this refinery that led EPA to issue an emergency order to [pause all operations in May 2021](#)."

According to the EPA, a PSD permit limits emissions to levels that can be achieved by applying the best available air pollution control technology, which for this refinery would likely result in significant reductions of emissions of nitrogen oxides and volatile organic chemicals, and reductions in sulfur dioxide, hydrogen sulfide, carbon monoxide and particulate matter.

The permit process also requires an air quality analysis to determine if the facility would cause pollution levels in the air to exceed EPA air quality standards, according to the federal agency. If a standard were to be exceeded, further reductions would be required in the PSD permitting process.

In addition to the PSD considerations, the EPA said it is also continuing oversight of the refinery, which is not currently operating. In September, EPA inspected the refinery to determine the general state of chemical safety at the facility. During that inspection, the agency noted serious deficiencies in how this facility has been maintained. EPA quickly alerted the company to the deficiencies and issued a [detailed inspection report](#), which was also shared with the public. The EPA said it is actively discussing the chemical safety issues with the company and determining next steps to address the issues.

EPA said it has previously taken numerous enforcement actions related to this facility, including setting up a community hotline, developing a dedicated [website](#), and engaging regularly with the community.

"As Administrator, I am committed to prioritizing the health and safety of underserved and overburdened communities across this country and holding polluters accountable. That is why EPA is using its full authority under the law to require this facility to analyze its impact on air quality and use the latest air pollution controls before it resumes operations," said EPA Administrator Michael S. Regan. "This will ensure protections for St. Croix by requiring the refinery to operate in compliance with environmental laws designed to protect people's health and the environment."

"Today we are continuing to make good on our promise to deliver environmental justice and ensure that EPA protects the health of every community, regardless of race, zip code or income," said EPA Regional Administrator Lisa F. Garcia. "EPA takes seriously our responsibility to the nearby communities, which have carried the burden of mishaps at this facility for far too long."

Background

Hess Oil built the refinery, which was once the largest in the western hemisphere, in the mid-1960s. Later, HOVENSA owned the refinery, and subsequently the facility was owned by Limetree Bay Refining. West Indies Petroleum Limited and Port Hamilton Refining and Transportation, LLLC emerged as the winning bidder for the Limetree Bay refinery from an auction held in bankruptcy court in December 2021.

It has been nearly 11 years since HOVENSA shut down its refining operations at this facility. The EPA considers the refinery a new major air pollution source that requires an additional PSD permit and installation of the best available air pollution control technology before any start of refinery operations. EPA's most recent modification to the refinery's existing PSD permits was in August 2011.

Separate from the need for a new PSD permit, there are numerous federal and local environmental requirements with which the refinery must comply before it can operate. The refinery owners have an obligation to comply with existing Clean Air Act requirements. The facility is also subject to a Clean Air Act consent decree. The owners also have ongoing obligations under permits issued by the U.S. Virgin Islands.

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