



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
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October 13, 2022

VIA ELECTRONIC MAIL

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Re: St. Croix Refinery, U.S.V.I.

Dear Mr. Eagan and Ms. Domike:

On September 20-26, 2022, the United States Environmental Protection Agency ("EPA") conducted an inspection (the "Inspection") at the refinery located in St. Croix (the "Facility"), owned by West Indies Petroleum Ltd./Port Hamilton Refinery and Transportation LLC ("WIPL/PHRT"). EPA conducted the Inspection in the wake of the recent fire/smoldering incidents that occurred in a petroleum coke storage dome and adjacent conveyor system at the Facility.

EPA's Inspection identified a number of problems at the Facility, including violations of the general duty set forth in Section 112(r)(1) of the Clean Air Act ("CAA"), 42 U.S.C. § 7412(r)(1).¹

Pursuant to Section 112(r)(1) of the CAA, the owners and operators of stationary sources producing, processing, handling, or storing substances listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance, have a general duty to identify hazards which may result from accidental releases of such substances, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases.

The Inspection included a review of equipment at the Facility and an inventory of the contents of systems. Facility equipment, vessels, and piping contained various materials, including anhydrous ammonia, liquified petroleum gas ("LPG"), hydrocarbons, kerosene, petroleum coke, and amine. Some of these materials are under pressure.

During the Inspection, significant corrosion was observed on Facility equipment. EPA inspectors observed numerous examples of corrosion on process valves, flanges, pipes, nuts, bolts, and pressure

¹ The quantities of materials in processes (including storage) at the Facility also implicate potential violations of the risk management requirements of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and the regulations promulgated thereunder at 40 C.F.R. Part 68.

relief devices in all the process units that were viewed during the Inspection. Gaskets were also observed in poor condition.

The equipment at the Facility that contains ammonia and LPG is of particular concern due to the hazardous nature of these materials and potential serious health consequences to Facility workers and the general public if the material were released. Failure to maintain a safe Facility, including failure to safely maintain equipment that contains extremely hazardous substances, violates part of the general duty set forth in Section 112(r)(1) of the Clean Air Act.²

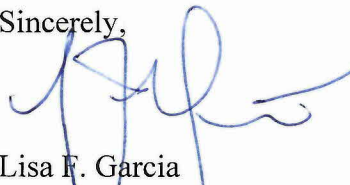
In addition to the corrosion and condition of equipment, other significant issues were identified during the Inspection, including the lack of documentation of inspection and maintenance of equipment, and failure to have complete process safety documentation. Further, since the Inspection, plans for sale of the ammonia at the Facility have come to EPA's attention. Due to the poor condition of the system containing the ammonia and the serious potential for release, disturbance or removal of the ammonia present at the Facility must not take place without EPA approval.

EPA would like to schedule a meeting with you as soon as possible to discuss WIPL/PHRT's willingness to quickly and cooperatively address the most serious hazards identified at the Facility, and a plan to address the other concerns and violations as well. It is our hope that the violations can be addressed in an administrative order on consent ("AOC") issued by EPA within the next few weeks, with such an order providing for, among other things, an independent expert to assess the ammonia- and LPG-containing equipment, determine whether these materials can be safely secured, and if not, safely remove them.³ Given the hazards posed by the condition of the equipment, if we are not able to quickly agree on a cooperative approach, EPA will evaluate its options, including but not limited to the unilateral issuance of an administrative order or other actions to address hazards posed by conditions at the Facility.

Please contact Jean Regna, Assistant Regional Counsel, at (212) 637-3164 or Regna.Jean@epa.gov upon your receipt of this letter to schedule such a meeting.

Thank you for your prompt attention to this matter.

Sincerely,



Lisa F. Garcia
Regional Administrator

cc: Commissioner Jean-Pierre L. Oriol, VIDPNR
Austin Callwood, VIDPNR

² Many of the conditions at the Facility also pose threats of releases of hazardous substances into the environment, within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§9601-9675.

³ To the extent that any of the work involves the purging of hydrocarbons, as discussed in Paragraphs 9 and 10 of the July 12, 2021 Joint Stipulation, such work will also need to be done in compliance with the Joint Stipulation.