Limetree Bay Terminals, LLC (update: 8/30/2018)

Background: On November 8, 2017 the Corps of Engineers published a public notice (No. SAJ-2017-00416 (SP-JCM)) regarding a permit application to install a Single Point Mooring (SPM) and an underwater pipeline system for the direct offshore transfer of bulk fuel from very large bulk carriers to existing Facilities at Limetree Bay Marine Terminal in St. Croix, US Virgin Islands. The work would require the placement of two concrete coated, 30-inch diameter pipelines from the end of the existing eastern jetty to a Pipeline End Manifold (PLEM) located offshore, at approximately 150 feet below mean sea level. From there, the system would transition to three 24-inch hoses suspended in mid-water at depths ranging from 150 to 250 feet. Sections of the two 30-inch pipelines would need to be buried under the marine floor, requiring the excavation of a trench 300 feet long, 62 feet wide and 20-foot-deep. To construct it, the existing concrete tetrapod revetment of the jetty would need to be temporarily removed to excavate approximately 14,000 cubic yards of material. The second section of the pipeline (888 feet long) would be laid on the ocean floor, while the third section would require the excavation of another trench (1,625 feet long by 62 feet wide by 16 feet deep) across the existing navigation channel. The excavated material from this area would be side casted and used to bury the pipeline once it is completed. Concrete mats would be placed over the pipelines at critical areas. Installation of the PLEM would require the placement of four 18-inch diameter by 60-feet long piles. The 24-inch hoses would be held in position by anchors requiring the placement of 60-inch diameter by 80-foot-long anchor piles.

Status: On December 29, 2017, EPA sent a letter to the USACE outlining our concerns with the project (see *Environmental Issues*, below). These comments were also forwarded to the applicant.

During the evaluation of the USACE permit application, CEPD staff learned that on November 9, 2017, representatives from Limetree Bay Terminals, LLC met with staff from the Office of Air and Radiation (OAR) to discuss their proposal to restart operations at HOVENSA and to construct 2 new projects. After that meeting, the Office of Air Quality Planning and Standards (OAQPS) scheduled a briefing for the Assistant Administrator for Air. OECA was also involved in this project, since Limetree sought a modification to their existing Consent Decree in order to proceed with the single-point mooring (SPM) project, a refinery restart project, and a renewable biodiesel production project. However, at that point, the team working on the PSD permit and the consent decree at Region 2 were unaware that Limetree had submitted a USACE permit application. In addition, the Governor of the USVI sent a letter to the President, requesting an expedited permit process for all Limetree projects. This resulted in close coordination between CEPD, CWD, CASD and ORC for the finalization of EPA's December 2017 comment letter.

On February 6, 2018, EPA learned that USACE approved work on the Limetree project under Nationwide Permit No. 6. However, such authorization only covers survey and environmental assessment activities related to the project. As of July 20, 2018, the single-point mooring system project is still being evaluated by USACE. Information gathered from the authorized surveys is needed to fully evaluate USACE's and other environmental agencies' concerns regarding the project. USACE has forwarded their resource agencies' concerns to the applicant and notified them that the permit process will not proceed until a complete environmental assessment and a suitable alternatives analysis are received for evaluation. In addition, USACE finalized their informal consultation with the Fish and Wildlife Service under Section 7 of the Endangered Species Act on May 21, 2018, and recently initiated formal consultations with the National Marine Fisheries Service (NMFS) under Section 7 of the ESA on July 10, 2018, and under the Magnuson-Stevens Act (for essential fish habitat evaluation) on July 12, 2018. On August 16, 2018, the Corps hosted a meeting between NMFS and Limetree to discuss what

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information needs to be gathered to be able to complete the ESA Section 7 and the Magnusson-Stevens Act consultations. NMFS provided details on writing to the Corps, which are expected to be forwarded to the applicant by the first week of September 2018. In addition, NMFS and the Corps have officially notified Limetree that their request for expedited review has been denied.

Environmental Issues:

- The project impact corridor occupies an area of approximately 4.33 acres of marine bottom, of which 1.65 acres consists of hard bottom supporting essential features for colonization by coral species listed as endangered under the Endangered Species Act (*Acropora palmata, Orbicella annularis, Orbicella faveolata, orbicella franksi* and *Dendrogyra cylindrus*). The last major dredging within the area occurred in 1974. The terminal's reveted jetties are colonized by coral and sponge species, including ESA and non-ESA listed species. The applicant has proposed the relocation of all coral colonies located within 50-feet of the centerline of the trenched sections of the pipeline corridor. In the case of surface-laid sections of the pipeline, the applicant proposes to relocate all coral colonies located within 20 feet of the centerline. Based on this proposal, it is estimated that 2,215 coral colonies would need to be relocated.
- Dredging the hardbottom and pavement areas involve removal of hard limestone and possibly bedrock substrate. The PN describes the intent to use an excavator for dredging. Would this approach be sufficient to penetrate all hardbottom substrates? Alternatives, including the use of explosives, should be examined, and their possible environmental impacts considered in detail.
- The relocation of coral colonies should include considerations regarding the associated ecosystem services (e.g., invertebrates, algae, fish substrate/refuge and connectivity, including spawning and/or aggregation areas). A habitat equivalency analysis of the proposed area of potential impact and the proposed restoration area should be performed. In addition, a coral transplantation plan (CTP) should be developed, including details on the selection of corals to be transplanted, performance survival standards (including acceptable survival percent), and what other protection and mitigation plans would fall in place if coral survival does not meet the standards.
- An assessment of indirect impacts to corals (e.g., jeopardy of coral reefs outside the immediate construction footprint by future petroleum transfer process) should be completed. There is a valuable coral reef ecosystem along the shelf and shelf edge and significant mutton snapper spawning aggregation east (down prevailing current) of the proposed PLEM.
- There is no evidence that the Pipeline and Hazardous Material Safety Administration has reviewed or approved this project.
- Additional, detailed information on measures to protect water quality within the project site should be furnished by the applicant. While the use of turbidity barriers, the sidecasting of dredged material near uncolonized seafloor to control the suspension of sediments, and a water quality monitoring plan are mentioned within the PN, detailed information is required to determine the adequacy of these measures.
- NEPA – Region 2's Environmental Review Section (CASD) recommended that the Corps of Engineers proceed with the preparation of an Environmental Impact Statement (EIS) for the project in order to fully document and evaluate its environmental impacts. During a telephone conversation with CEPD staff on August 30, 2018, Corps personnel confirmed that they will proceed with the preparation of an Environmental Assessment (EA) for the project. The Corps believes that the proposed project does not require the preparation of an EIS. As of August 30, 2018, this determination has not been officially notified to Limetree or other federal agencies.

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Future actions: CWD's Wetlands Protection Section, CEPD's Wetlands Program staff and CASD's Environmental Review Section believe that significant additional information beyond what was available within the Corp's PN was required to determine the extent of environmental impacts that may result from the construction of the SPM at Limetree Bay. USACE agreed with EPA's determination and requested that the applicant provide the data to fully evaluate possible impacts. EPA looks forward to continuing working with USACE once the applicant provides all the requested information.

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