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Bryan Expresses Confidence that HUD Will Fund Purchase of Vitol Assets at WAPA

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Housing and Urban Development (HUD) officials were “very positive” about discussions about whether federal grant funding can be used to underwrite the Water and Power Authority’s [purchase of propane infrastructure](#) from energy supplier Vitol.

That’s the word from Governor Albert Bryan Jr., who was speaking on Monday during the weekly Government House press briefing. He revealed that during his recent travel to Washington D.C., he met with the Deputy Secretary of HUD to “verify that we are still on target to resolve the contract disputes” between WAPA and Vitol, which would include the acquisition of the propane terminal by WAPA.

Mr. Bryan, after reminding the listening public that the Senate authorized a [line of credit](#) that was utilized to pay the first \$45 million of the settlement agreement between WAPA and Vitol, said that local authorities were now “working with our HUD grants...to finalize this process and really start to get WAPA under control.”

The completion of the Vitol deal would be a key step in the governor’s pledge to “fix the energy situation in the Virgin Islands.” However, while WAPA “is a piece of it,” Governor Bryan noted that “there are a lot of other pieces that will make energy affordable and will allow for new opportunities in the Virgin Islands.”

The initial doubt over whether HUD would be amenable to providing funds for this venture stemmed from confusion over the [nature of the deal](#), Mr. Bryan argued. “There was a concern from HUD that we were paying off a debt. We’re not really paying off a debt, we’re acquiring an asset,” he said.

“As a matter of fact, we’re acquiring this asset at a massive discount,” he said, stating that evaluations had valued the propane infrastructure at “somewhere around” \$300 million. The only debt associated with the deal, Governor Bryan said, is the money the government now owes to the bank following the previous \$45 million drawdown.