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WAPA's Project Delays Cost \$3 Million Monthly, AMI System Faces 60% Failure Rate

PSC commissioners scrutinize costly setbacks in renewable projects and metering system failures

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Janeke Simon **February 16, 2024**

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At this week's meeting of the Public Services Commission, representatives of the V.I. Water Power Authority came under fire for delays in completing studies required to bring solar and wind projects online. Commissioners were also displeased by setbacks with the advanced metering infrastructure (AMI) system.

Commissioner David Hughes noted that WAPA has engaged multiple consultants over the past six years to study integrating renewables into the territory's grid, yet the first study still is not complete after over a year of delays. "It amazes me that it's taken us this long to get to something so simple as an interconnection study," he said. "Every month that these projects are delayed costs

ratepayers approximately \$3 million."

Mr. Hughes stressed that the studies were needed to connect the solar and wind projects and begin bringing down costs for customers. "WAPA needs to prioritize this work and make renewable integration a true priority."

WAPA Executive Director Andrew Smith pledged that the study for the solar site at Petronella would wrap by late February but provided no timelines for subsequent sites. Commissioner Raymond Williams criticized WAPA's lack of coordination with other agencies on infrastructure upgrades.

"Ratepayers are paying exorbitant fuel charges because of our inefficient generation," said Mr. Williams. "If WAPA can't demonstrate commitment to transitioning our energy portfolio, stronger regulatory actions may be needed."

Apart from the delay in interconnection studies, commissioners also queried the status of a lease between the Department of Property and Procurement and WAPA for property that would be used for a wind power project. "We've just wasted another \$9 million waiting for a four-page lease to come out of Property and Procurement," Mr. Hughes noted. WAPA's general counsel Dionne Sinclair told commissioners that she was in the process of reviewing the final draft, which she hoped to finish by the end of this week and subsequently return to Property and Procurement.

PSC commissioners also grilled the WAPA executive director on the multiple setbacks experienced with the utility company's troubled AMI system.

When the system was first proposed years ago, the goal was to improve customer billing accuracy and grid reliability. However, it was acknowledged that over 60 percent of meters currently fail to meet industry standards. Some of the blame was placed on the 2017 hurricanes, as well as the heat and humidity of the Virgin Islands climate, leading to a lifespan of a mere 3-5 years instead of the typical decade or more. One study found each failed meter costs between \$500 and \$1000 to replace.

Mr. Hughes questioned how a multi-million dollar project designed to save costs has instead led to increased meter replacement expenses. "Customers have paid for this system but are not seeing the benefits," he said.

With the system still not functioning as intended, commissioners demanded to know how and when customers will see a return on investment. They also questioned WAPA's ability to properly maintain the infrastructure.

Mr. Smith said that one solution could be to move towards "AMI as a service", where the service provider has ownership of and takes responsibility for the meters. "If you start to see meters deteriorate, it's on the AMI provider to replace those meters," he explained. He admitted that currently, WAPA does not have the necessary human resources to satisfy the AMI maintenance requirements. "That's not to say we couldn't be, but there's a cost to that."

Commissioners say they will consider opening an investigation and mandating performance standards if the faulty AMI system continues wasting ratepayer money.