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Work on Wartsila Project Stalled Due To Dispute Over Amounts Owed

New Wärtsilä units idle on island since 2021 due to ongoing financial dispute

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**New Wartsila generation units at the Randolph Harley Power Plant, St. Thomas, USVI.
By. WAPA**

On Tuesday, the Public Services Commission learned that no work is being done when it comes to getting the Water and Power Authority's four newest Wärtsilä generators online and functional.

Despite the new generators having been touted for years as key to WAPA's thrust for increased energy efficiency and lower operating costs, a question by PSC ex-officio member Senator Carla Joseph revealed that work had been stalled for months over an ongoing contractual dispute.

PSC consultant Jim Madden told Ms. Joseph that only the three initial units were currently in operation. “The next four, which have been on island since 2021, have not been put into operation,” he disclosed.

Ms. Joseph pressed further, noting that these units “were supposed to be operable sometime last year, and they moved it to sometime this year.” In June 2023, when [one of the units was successfully energized](#), WAPA signaled that the HUD-funded project to install the new generators would have been completed by August of that year.

However, Mr. Madden said that in conferences between WAPA and PSC staff, it was disclosed that “there is now a dispute between Wärtsilä and WAPA about a dollar amount which is in dispute for various reasons.” That disagreement, he said, has led to the project coming to a halt. “Because of that, work on the units has stopped, work on the battery units has stopped, and they are not in service.”

Additionally, “we have no indication when or how they will be put into operation at this time,” Mr. Madden continued. The work stoppage went into effect sometime around the beginning of January, he told Ms. Joseph in response to her query.

This is not the first time Wärtsilä has encountered difficulty with WAPA over the question of costs and payments. In 2021, the Finnish manufacturing firm sued WAPA for [breach of contract](#), claiming that the cash-strapped utility failed to honor the terms of a 2017 agreement under which Wärtsilä was to construct an LPG-fired reciprocating engine power plant at the Randolph Harley Generating Complex in St. Thomas.

That lawsuit, filed in the District Court of the Virgin Islands in March of 2021, was dismissed in December of that year after a settlement was reached between the parties.