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EPA Injects \$62 Million Into USVI to Move Away from High-Cost Energy, Towards Affordable Solar Solutions

The grant, part of the Greenhouse Gas Reduction Fund, aims to reduce emissions and improve energy access for low-income communities in the USVI

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In an Earth Day announcement on Monday, the Environmental Protection Agency announced an award of \$62.5 million to the V.I. Energy Office through the Solar for All grant program.

The money, part of the broader \$27 billion Greenhouse Gas Reduction Fund established under President Biden's Inflation Reduction Act, will be used to support solar programs that will benefit low-income and disadvantaged communities in the territory.

“We're delivering on President Biden's promise that no community is left behind by investing \$7 billion in solar energy projects for over 900,000 households in low-income and disadvantaged communities,” said EPA Administrator Michael Regan, while Region 2 Administrator Lisa Garcia noted that “climate justice means delivering clean energy benefits to disadvantaged communities at the forefront of tackling climate change.” Along those lines, the VIEO grant will help communities in the U.S. Virgin Islands access solar power and reduce greenhouse gas emissions.

VIEO Director Kyle Fleming stated, “The US Virgin Islands as a whole are a disadvantaged community that has been historically burdened by centralized fossil fuel-based power systems that suffer from high energy costs, and low reliability. The Virgin Islands Energy Office's successful selection of its Solar for All application has presented a historic opportunity for the territory to fast-track an equitable energy transition that holistically leverages our islands' most abundant natural resource.”

According to Mr. Fleming, under the Solar for All program, the VIEO will strategically fund the affordable development of single & multi-family residential solar and residential-serving community solar. Associated energy storage deployment will be at the core of these projects to ensure the maximum value of the solar resource is realized and resilience guaranteed. With this funding, VIEO will build upon the success of its former financial incentive programs and development of Micro-Grids to further expand the accessibility of solar by introducing residential-serving community solar within the US Virgin Islands, Mr. Fleming said.

The VIEO believes that the new Virgin Islands Solar for All Program has the power to transform the territory's residential energy landscape, addressing residents' high electricity costs while creating new opportunities for energy resilience and reliable, affordable, clean power for communities most in need.

VIEO's funding is one of 49 state-level awards announced by the EPA on Monday totaling approximately \$5.5 billion, with an additional \$500 million awarded to Tribal groups and about \$1 billion to multistate programs.

The EPA anticipates that awards to the selected applicants will be finalized in the summer of 2024, and selected applicants will begin funding projects through existing programs and begin expansive community outreach programs to launch new programs in the fall and winter of this year.

In anticipation of the Solar for All awards, the VIEO said it has already begun securing ancillary funds to maximize the planning and implementation of these "once-in-a-generation funds." An Energizing Insular Communities grant from the DOI has provided the VIEO with over \$540,000 to institute a dedicated Renewable/Distributed Energy division within the Utility. A Department of Energy Block Grant has provided \$260,000 to develop pre-engineering plans for community solar farms on government land and buildings. An additional \$180,000 from the block grant will be leveraged to engage with solar financing expertise to help develop affordable loan strategies and community solar policies in the territory.

Once awarded, Solar for All funds will enable the VIEO to directly address the USVI's longstanding appetite for affordable solar solutions. Solar for All funding will also prompt the development of modern distributed energy operations such as Virtual Power Plants that will aggregate residential and community solar plus energy storage to provide savings and resiliency to the entire grid, VIEO says.

In parallel with these efforts, the VIEO said it has already mobilized federal funds to offer innovative financial incentive programs. Earlier this year the VIEO launched the Equitable E-Mobility rebate program to reduce the cost of electric vehicles with \$5000 rebates. Early next month the VIEO will launch the Virgin Islands Battery Energy Storage (VIBES) rebate program to lower the cost of residential battery storage installations intended to shield the community from the disruption of power outages.

The funding is part of the Biden administration's plan to create high-quality jobs and achieve a carbon pollution-free power sector by 2035.

In a bid for transparency and to foster public understanding about the program, EPA has scheduled a public webinar for the Solar for All program, which interested participants can register for [online](#).

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