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Bryan Vows to Stabilize WAPA Amidst Fiscal Turmoil and Power Disruptions

From negotiating fuel contracts to fast-tracking power projects, the Bryan administration says it is taking aggressive steps to stabilize the territory's utility services

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The Randolph Harley Power Plant in St. Thomas, USVI. By. ERNICE GILBERT, V.I. CONSORTIUM

Governor Albert Bryan on Tuesday addressed the ongoing challenges faced by the V.I. Water and Power Authority and outlined the administration's plans to stabilize the utility's operations. His comments, during his weekly press briefing, come amidst a series of recent power outages and rolling blackouts that have significantly disrupted life in the territory.

Mr. Bryan began by expressing empathy for the difficulties caused by the outages. "I understand the significant disruption and hardship these events have caused for families, businesses, and essential services in our community." He acknowledged the frustrations of the public, sharing that he too has experienced the challenges first hand over the years.

The governor emphasized the complexity of the situation, noting the [multifaceted issues](#) that WAPA faces, including financial, operational, and maintenance challenges. "This is a very complex situation that has presented some significant challenges... But we remain committed to finding solutions, not just complaining, not just bellyaching and costing and fighting," he said.

The governor reminded viewers of the [state of emergency](#) declared weeks ago, aimed at ensuring that WAPA had the necessary resources to meet its financial obligations and maintain adequate power generation capacity. He said it was this move which saved St. Croix from the power rotations currently being experienced on St. Thomas. "Thanks to the state of emergency, we averted such conditions on St. Croix. WAPA made the required financial payments to have Aggreko lease generators placed back into service," he said. He noted that the state of emergency, declared on April 22, was extended last week for another month, and will now expire on June 21.

Office of Management and Budget Director Jennifer O'Neal, who serves as the Incident Commander for the current state of emergency, outlined several initiatives aimed at improving WAPA's operations and financial stability. In the near term, the administration hopes to complete the acquisition of the VITOL propane terminals, which will help retire a massive chunk of WAPA's debt, and is expected to reduce fuel costs.

There is also the intention to "intervene and complete the negotiations to restart the Wärtsilä project," stalled after contractual disputes [grounded the project to a halt](#).

Ms. O'Neal said incident command is also attempting to ensure that Seven Seas is [paid for water production](#), and that there is funding available to onboard the management turnaround company that was [mandated by the legislature](#) last April. According to Ms. O'Neal, with the Public Services Commission already concluding the procurement process for that company, "a contract should be in place within the next 30 days."

The multi-agency team also intended to "renegotiate a fuel transportation agreement with Vitol, fast track the interconnection study for new renewable battery agreements and the Estate Petronilla solar site to ensure that WAPA can meet obligations to bondholders and creditors in the short term." Recent estimates indicate that delayed projects are costing WAPA's ratepayers [approximately \\$3 million each month](#) in elevated costs.?

Ms. O'Neal disclosed that court orders had been issued to freeze approximately \$6 million in WAPA accounts, however she did not specify who had requested these orders or what the underlying litigation was about. One of those orders had been since quashed, she noted, while WAPA's attorneys continue to work to have the order governing the agency's First Bank account similarly vacated.

Ms. O'Neal also noted that WAPA is currently facing a shortfall of approximately \$2 million each month between receivables, which totals about \$19 million each month, and payables, which amount to \$21 million each month for just those vendors described as "critical". "There are also additional vendors who are not part of WAPA's critical vendor list who have not been paid due to WAPA's lack of liquid assets due in part to high balances owed by some governmental agencies," Ms. O'Neal noted.

The bills of three delinquent agencies had been cleared to the tune of just over \$10.2 million dollars, Ms. O’Neal said, with the funds taken from the budget stabilization fund. The territory’s two hospitals as well as the Waste Management Authority were then included in the single payer utility fund payments, so their utility bills will remain current “just like every other department in central government,” Ms. O’Neal said. The payment allowed WAPA to itself remit owed monies to Aggreko and Seven Seas. A payment to Wärtsilä is expected to be next, Ms. O’Neal stated. “All things considered, we expect Wärtsilä to restart within 30 days,” continuing the installation of the four 9-MW generators and associated battery storage systems at the Randolph Harley Power Plant. “This project will significantly improve reliability in the St. Thomas-St. John district,” Ms. O’Neal said, “and reduce fuel expenses across the territory.”

Additionally, the long awaited funding from the Department of Housing and Urban Development will be closed in mid-July, thus enabling WAPA to free itself from the huge debt it owes to Vitol. Meanwhile, a lower LPG transportation rate has been negotiated with Vitol, which Ms. O’Neal says will result in savings to WAPA of about \$900,000 every month.

Ms. O’Neal promised to maintain the daily meeting schedule of incident command, as members “work with the WAPA team to ascertain and address their preparation levels for the upcoming hurricane season and expected continuing summer heat.”

For his part, Governor Bryan stressed the importance of transparency and communication from WAPA, urging the utility to keep the public informed about ongoing efforts and issues. "Get out there and tell the public. People are waiting for me to show up to tell them why there's a power outage," he said.?

In closing, Governor Bryan reiterated the administration’s commitment to addressing WAPA's challenges head-on and finding long-term solutions, noting that there is no easy solution. “There’s no private company that is coming to buy WAPA and all its troubles,” he said. "We must fix this problem ourselves.” He urged the troubled utility to “get out of their own way” in order to bring critical cost reduction and sustainable energy projects online in a timely manner, as these would significantly ease both financial and power distribution pressures currently hamstringing the agency.