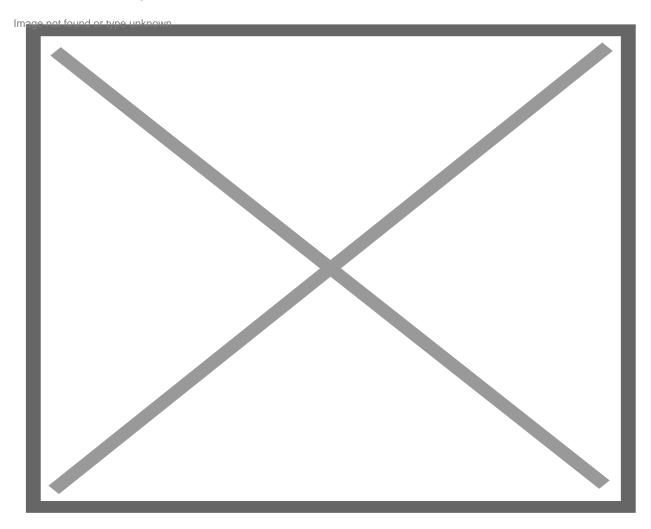
WAPA's Financial Frailty Hindering Utility's Ability to Prepare for Possible Hurricanes

Struggling with financial woes, WAPA is ill-equipped for major hurricanes and is facing failures in its advanced metering infrastructure

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St. Thomas During Hurricane Irma's passage in 2017.

The V.I. Water and Power Authority's ability to respond to a Category Four hurricane currently stands at four out of ten, with circumstances unlikely to change between now and September.

That is the assessment the Public Service Commission received from Don Gregoire, WAPA's Water Systems director, during Wednesday's meeting of the PSC. The utility's chronically precarious financial situation is to blame, Mr. Gregoire told commissioners. "Our primary focus

right now is just to keep the lights on and keep our WAPA employees paid," he noted. The lack of finances prevents WAPA from filling water and fuel tanks to a sufficiently high level to offer protection against damage from high winds in a powerful storm.

As Mr. Gregoire explained, the ideal scenario would be to have metal storage tanks filled to 75-80% capacity, to enhance the tank's ability to withstand strong gusts. However, "to achieve that number, to reach that capacity, it's going to be quite an investment. Definitely not capital that WAPA has." The Federal Emergency Management Agency, which according to Mr. Gregoire is aware of WAPA's current predicament, is "not in a position to assist us before the [emergency] declaration is issued."

The current energy state of emergency declared in April by Governor Albert Bryan Jr. and recently extended until September, will be of limited assistance in helping WAPA get better prepared for a major storm. "It doesn't open up any avenue for revenue specifically," said WAPA's interim Chief Executive Officer Ashley Bryan. Because it is not a federal state of emergency, any financial support would have to come from local government coffers. "It's all subjective based on the ability of everyone to have the cash flow to support the needs of the authority," Ms. Bryan said.

Apart from being able to protect their physical infrastructure, WAPA's lack of funds also poses an issue in the event the utility has to deploy personnel in response to an emergency situation for an extended period of time. In the event of a loss of generating capacity, WAPA is unable to collect revenue from customers, so the authority must contend with perhaps not having enough liquidity to support a lengthy deployment of personnel.

A destructive hurricane could also create a serious safety issue in its aftermath, due to the rise in the number of customers who participate in net metering. As Mr. Gregoire explained, these customers might be turning on fuel generators or relying on their solar generation capacity, and thus feeding power back to the grid. In the face of major hurricane damage, WAPA's supply of electricity might be interrupted, but the power being fed back by customers may create dangerous live wire situations, putting line workers and emergency responders at risk.

The risk is elevated because of WAPA's growing inability to keep track of customers' electricity usage. "The AMI system is progressively failing," Ms. Bryan told commissioners. When the advanced metering infrastructure was more functional, "we could do the analysis and put triggers on the meter programming to identify where we had exporting customers that may or may not have been permitted or not classified as a net metering or net billing customer," Ms. Bryan said. However, "it's increasingly challenging now, with the failures on the AMI system – meters going blank, and the screens are not available to provide those readings – much less to do the analysis remotely on the entire AMI infrastructure," she continued.

?That bleak outlook was buttressed by Project Management Director Chavante Marsh-Bultes, who told commissioners that the AMI system is "currently reading below 40%." WAPA staff "continue to work internally to maintain the existing system" while senior management engages with "our federal partners to work on the AMI federal funding project" for a prudent replacement of the failing system, Ms. Marsh-Bultes noted.

Until that occurs, however, WAPA's ability to accurately monitor (and bill) customers for their exact energy usage remains seriously hampered.