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WAPA Board and VI Electron Reach Agreement Behind Closed Doors Amid Unresolved Board Concerns

Amidst unresolved issues, WAPA board finalizes a contentious battery storage agreement with VI Electron, raising questions about transparency and due diligence in the decision-making process

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V.I. Electron's Estate Petronella site on the South Shore of St. Croix on Thursday, June 28 2024. By. V.I. CONSORTIUM

A few weeks after members of the Water and Power Authority's Governing Board expressed serious qualms [about a proposed contract](#) between WAPA and VI Electron, the utility has announced that a deal over battery storage has been reached for VI Electron's Petronella and Hogensborg solar sites.

When it came up for discussion during a board meeting on June 27, then-CEO Andrew Smith listed six “open items” that needed to be settled, and noted that the contract on paper did not reflect what had been subsequently negotiated. The open items presented risks to WAPA, Mr. Smith said, especially to the company’s already-precarious financial situation. Several board members agreed, objecting most strongly to the notion of paying for electricity produced by the battery system in addition to the base lease cost. “Why would we pay for something twice?” asked board member Lionel Selwood, in response to the troubling clause.

?At that meeting, the board narrowly defeated a motion from former chair Kyle Fleming to approve the contract as written, and instead decided to return to the negotiating table to “iron out the pending outstanding items.” Only then would a motion to approve the lease agreement be entertained.

However, a July 15 press release from current board chair Hubert Turnbull, who moved the June motion to continue discussions with VI Electron, announced that a deal had been reached. The announcement claims that “the Board of Directors at WAPA has negotiated a fair and balanced agreement with VI Electron, ensuring that the interests of the Virgin Islands Community remain at the forefront.” The press release makes no mention of whether the “open items” that raised so much concern had been resolved.

Given that the board had agreed in June to consider a new motion to approve the contract once things had been resolved to their liking, it is also unclear under what mechanism the new contract was approved. There has been no meeting of the Governing Board since June 28, and thus the public, and the press, has not been made privy to the terms and conditions of the contract that has ultimately been signed between WAPA and VI Electron.

Will the utility still have to essentially pay twice for energy coming from the battery systems? Will VI Electron still be allowed to limit damages from a delayed installation to a maximum of 90 days? Will the developers still be able to evade the requirements of the National Environmental Policy Act?

?Mr. Turnbull’s press release does not say. It does, however, express WAPA’s commitment “to fostering transparent and equitable relationships with all our partners.” The announcement strikes an optimistic tone, anticipating that the battery agreements will usher in “long-term benefits such as lower energy costs and improved service for our residents.”

VI Electron had previously been admonished for attempting to [circumvent WAPA’s procurement process](#) by trying to discuss the battery deal with the board without first having formally presented the proposal to WAPA’s senior management.