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District-Wide Power Outage Affects St. Thomas and St. John as WAPA Seeks to Reassure Residents that APR Energy Decision Won't Affect Power Generation

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APR Unit 26 at the Randolph Harley Power Plant in St. Thomas By. APR ENERGY

The Virgin Islands Water and Power Authority on Tuesday afternoon said it acknowledged receipt of correspondence from APR Energy that, "as a result of a dispute over APR's obligations under its contract with WAPA, the Texas-based company will suspend service to WAPA on Wednesday afternoon." WAPA said it leases three electrical generators from APR Energy at the Randolph Harley power plant on St. Thomas.

On Tuesday morning, [the Consortium reported](#) that APR Energy on Wednesday afternoon would suspend its power generation services to WAPA. "APR Energy has been reliably and successfully

providing the citizens of St. Thomas with electricity for over eight years, so it is with regret APR Energy announces the suspension of its operations effective Wednesday, March 11, 2020," the company said in a release provided to the Consortium.

"APR Energy has been dedicated to the mission of generating electricity to the St. Thomas's power grid since 2013. The APR Energy generators augment and provide critical back-up to the aging WAPA generators in the Harley Randolph power plant. Unfortunately, WAPA has not made its contractually required payments for many months, the firm added.

WAPA Executive Director Lawrence Kupfer sought to reassure residents of St. Thomas and St. John that the actions by APR Energy will have no effect on WAPA's ability to provide continuous electrical service.

As reported by the Consortium, WAPA will revert to two, less efficient generation units to continue providing power to St. Thomas and St. John. "We are in position to utilize our propane-fired generators for the bulk of electrical capacity required, and we have both Units 14 and 23, which are owned by the authority, available to close the gap left by APR's suspension of service," Mr. Kupfer said.

The authority's debt to its suppliers continues to mount: [It owes](#) Trafigura Trading, LLC \$24 million; Trafigura has since stopped supplying WAPA. The authority moved to Glencore, which WAPA owes about \$10 million. But with the minimum capacity of oil to make it a viable business venture for Glencore far exceeding WAPA's needs, the relationship between the firm and WAPA has waned and is winding down, according to people familiar with the matter.

In the WAPA release, Mr. Kupfer said that while WAPA has outstanding payments due APR Energy, the company is responsible for failing to have two of its units, 26 and 27, operating on LPG. The contract for two of the three units requires their primary power source to be LPG and APR Energy simply failed to make that a reality, Mr. Kupfer said. Having no other recourse and needing the units, WAPA said it "accepted the APR-owned generators at a reduced lease rate."

Mr. Kupfer also stated that Unit 26 in particular has a history of operational challenges which has made it unreliable and that unit has not been used since November 2019, he said. "Since WAPA stopped using Unit 26, the reliability of the power plant has significantly improved," Mr. Kupfer said.

Even so, Mr. Kupfer's explanation does not address the question of the authority's failure to meet its obligation of paying for the service of power generation that APR Energy has been providing. Yet he sought to again reassure residents that notwithstanding APR's decision to demobilize its generation units, WAPA has the capacity to provide continuous electrical service to all residents of the St. Thomas – St. John district.

Moments after the release was distributed to the media, the authority issued an alert: "A district-wide electrical service interruption is affecting the St. Thomas-St. John District resulting from a loss of generation capacity at the Randolph Harley Power Plant."

The generation capacity loss may not be tied to the recent APR Energy announcement, but it exposes a glaring problem that has been well documented: WAPA continues to struggle to keep the power on steadily, and losing three generation units from APR represents another major setback for the beleaguered utility.

