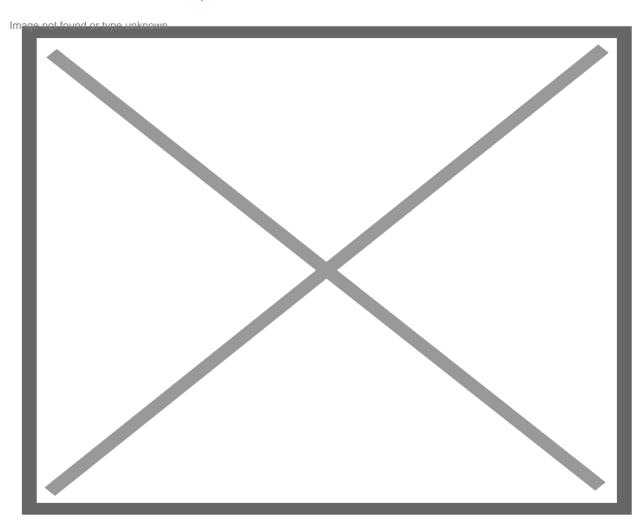
## St. John Waste-to-Energy Project Awaits Agreements from WAPA, WMA to Move Forward

Advanced Sustainable Technologies is waiting for WAPA's power purchase agreement and WMA's supply agreement to proceed. CEO Dan Levin says negotiations are nearing completion, with key figures still being finalized as the company prepares for PSC review.

Environment / Published On March 13, 2025 09:14 AM /

Staff Consortium March 13, 2025



The company seeking to build a <u>waste-to-energy plant</u> on St. John is waiting on the Water and Power Authority and Waste Management Authority to finalize agreements necessary for the project to move forward.

When representatives of Advanced Sustainable Technologies appeared before the PSC in June of last year, CEO Dan Levin said that forward movement on the pilot project depended on securing a

power purchase agreement from WAPA and a supply agreement from the WMA. At the time, a draft agreement had already been received from WAPA, and he expected that it would be signed within the next few weeks.

During Tuesday's update, Mr. Levin acknowledged that the agreement was still not signed. However, he believes that the process is almost complete. "In our eyes, we're 90% but obviously WAPA needs to answer that as well," he said. AST was ready to sign the draft proposal currently on the table, he said, and all that was needed was to close out the process. "It can happen in one conversation, or maybe three or four. Hopefully it doesn't take long," Mr. Levin said. However, he implied that key figures had yet to be finalized. "There is a number that we're negotiating with WAPA. We still await their confirmation on that number, that's basically the major issue that we need to decide upon," he disclosed.

Negotiations with WMA, Mr. Levin admitted, were "a little more behind." However, as AST would require no payment from WMA, he told commissioners that he was optimistic the two parties could come to a quick agreement.

Other aspects of the project are coming along, however. A suitable location for the plant has been identified "just adjacent" to the WMA's facility on St. John, on land owned by the Department of Public Works. AST will now have to engage with DPW to secure the property, which is ideal for the purpose, commissioners were told. However, obtaining a lease for the property hinges on finalizing the power purchase agreement with WAPA, company representatives said.

As they had before, commissioners questioned AST's profit strategy. "We want it to solve a problem, not just create a resume entry for your company," said Public Services Commissioner David Hughes, of the waste-to-energy project. "It's going to be painful for you. It's painful for us, painful for the community. It's just a difficult thing to accomplish down here, and I, frankly, just don't want to go through it unless I know that you are going to be around for a while," he said, requesting that the company submit their business model to PSC's legal counsel for review.

Agreeing to do so, Mr. Levin reminded commissioners that AST's plan was to receive "credits that we'll get...for the carbon that we mitigate from our operation," as well as "incentives that we get from the government by implementing our type of technologies in environmentally beneficial projects." The combination of credits, incentives, and revenue from electricity sales is expected to "make the whole financial structure work with agreeable returns," Mr. Levin said.

He also emphasized that the entire project – to include plants not just on St. John but also on St. Thomas and St. Croix as well – was fully capitalized with no financial outlay required by either the local government or the Waste Management Authority. "We have the financial backing to implement all the projects, and we expect a fairly good return on that without taking tipping fees," Mr. Levin said.

The hope, the AST CEO said, was to be able to present a signed power purchase agreement to the PSC in time for the agency's next meeting.

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