

logo not found or type unknown

Vitol Contract Extended as WAPA Launches Propane Supply RFP Process

The six-month extension maintains current terms while WAPA prepares to issue an RFP for long-term propane supply. Officials say a new agreement could help reduce the fuel cost gap recovered through the Levelized Energy Adjustment Clause.

WAPA / **Published On March 28, 2025 05:41 AM /**

Janeke Simon **March 28, 2025**

Image not found or type unknown



Epic Curacao, ship carrying first delivery of propane fuel to WAPA, arrived at the semi-autonomous entity's Christiansted dock on Wed. Oct. 21, 2015. By. THE VIRGIN ISLANDS WATER AND POWER AUTHORITY.

The V.I. Water and Power Authority has granted Vitol a six-month extension to the propane supply contract between the two entities.

“We are currently in the process of issuing an RFP to explore long-term propane supply options,” said general counsel Dionne Sinclair. “We're extending the contract with Vitol just to give us time in which to complete that process and get the data we need in order to make informed decisions.”

The contract extension will keep to the same terms as the existing agreement. The total monthly cost, Ms. Sinclair said, averages between \$14 million and \$16 million.

Meanwhile, WAPA Executive Director Karl Knight says that he expects the solicitation for bids “to start advertising by Tuesday” for a 45-day period. “I hope to have results that I can bring back to the board by June,” he said, with a finalized agreement in place by August, coinciding with the end of the Vitol contract extension.

“Ultimately to the benefit of the consumer, we're about to test the LPG market and get out from exclusive arrangements we've had for the last decade,” Mr. Knight said.

Asked whether a new fuel supply agreement could reduce or eliminate the gap between actual fuel costs and the amount recouped via the Levelized Energy Adjustment Clause, Mr. Knight said that “there's been a belief that that is not out of the realm of possibility.” He noted that WAPA had been previously constrained by its exclusivity agreement from being able to “sit at the table with some potential providers.” Noting that WAPA was perhaps the only utility in the Caribbean using propane to generating power for municipal use, Mr. Knight said that he was confident that achieving a significantly lower fuel cost “was an approachable figure.”