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Diesel Stockpiling Planned as WAPA Finalizes Fuel Contract Ahead of 2025 Storm Season

WAPA's Karl Knight told PSC members that a deal with Peerless Oil should be signed within days, allowing diesel inventory buildup. A propane RFP will prioritize suppliers able to deliver 70,000 barrels within 72 hours of the USVI.

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WAPA's Randolph Harley power plant in St. Thomas. By. ERNICE GILBERT, V.I. CONSORTIUM

With the \$77 million [fuel supply contract](#) between the V.I. Water and Power Authority and Peerless Oil expected to be executed within days, WAPA is preparing to build a reserve inventory of diesel fuel in advance of the 2025 hurricane season.

WAPA CEO Karl Knight addressed the Public Services Commission on Tuesday, providing updates on the utility's ongoing fuel supply arrangements. “We're substantially completed with the drafting of the contract” with Peerless Oil, Mr. Knight stated. “We should have that executed, I'd say,” within five business days.

In response to a question from PSC Chair Pedro Williams about storm readiness, Mr. Knight noted that current reductions in diesel demand could enable WAPA to build a reserve. “As long as we don't have hiccups in the propane system that requires us to burn diesel, we should start to slowly build some inventory as we head into hurricane season,” he said.

This effort comes as Colorado State University’s latest forecast [projects a notably active](#) 2025 Atlantic hurricane season, with 17 named storms, nine hurricanes, and four major hurricanes expected. CSU researchers reported a 51% probability of a major hurricane making landfall along the U.S. coast and a 56% chance for the Caribbean. Warmer-than-average sea surface temperatures and favorable atmospheric conditions are driving expectations of increased storm activity, making fuel readiness a critical concern for utilities like WAPA.

Meanwhile, WAPA is preparing to issue a request for proposals to replace its longstanding propane contract with Vitol. “We should start publicly advertising that this upcoming Monday,” Mr. Knight told commissioners.

In reviewing RFP scoring, Mr. Knight said that added value would be placed on suppliers who can respond swiftly in emergency scenarios. “I think it's 70,000 barrels within a 72-hour sail of the U.S. Virgin Islands,” he explained, noting the importance of rapid fuel access during hurricane-related disruptions.

WAPA is also exploring storage options beyond its immediate facilities to ensure fuel can be accessed even in crisis situations. Mr. Knight shared that the utility is working to identify “storage someplace in close proximity that we can access in an emergency.”