

USVI Wind Energy Projects Progressing Despite Financial Risks and Federal Wind Moratorium

Leases are secured and permitting is underway, but investors remain cautious. The U.S. Dept. of Energy backs the project, though Trump's recent halt on new federal wind leases adds uncertainty to broader support for clean energy initiatives.

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Technical discussions were advancing well on the wind energy projects being pursued on St. Thomas and St. Croix, said Joel Hart of Advance Power, as he provided a status update to the Public Services Commission. However, he disclosed that questions about the ability of the Water and Power Authority to pay invoices promptly and steadily are challenging the financial backers of the venture.

“In the last few weeks, we've had substantial conversations regarding the interconnection study with a number of the parties,” said Mr. Hart. “Most of that was for the engineers, and mostly in a technical nature.” Now that [leases are secured](#) for both the St. Croix and St. Thomas sites, preliminary permitting work is also moving forward, he told commissioners.

On the financial side, Mr. Hart noted that his company was “working with a number of underwriters, both private and public.” The U.S. Department of Energy is one of them, through a clean energy program. “They continue to encourage us to move forward with the project,” Mr. Hart told commissioners. “They like the project, so we're confident that we're going to move forward.”

However, while the U.S. Dept. of Energy and other underwriters share a positive outlook about the project's potential to deliver savings to rate payers, they remain concerned about WAPA's ability to consistently pay its bills. “Obviously, everyone is aware of the challenges that WAPA presents based on their payment history,” Mr. Hart said. “The [recent Ernst & Young report](#) was not particularly helpful, but it didn't really change our position or the underwriters’.”

On the contrary, it solidified understanding of “the importance of getting the project that we’re working on done, and the role that it plays to be part of the solution,” Mr. Hart declared.

President Donald Trump has consistently expressed opposition to wind energy projects, citing concerns over their aesthetics, cost, and environmental impact. In January 2025, he issued an executive order temporarily halting new offshore wind lease sales and permitting on federal lands, pending a comprehensive review of the ecological, economic, and environmental impacts of such projects. This policy shift has led to increased uncertainty within the wind energy sector, with some projects facing delays or cancellations.

To make the project more palatable to his underwriters, Advance Power has been working to “de-risk the project from a financial and insurance standpoint.” Currently, several de-risking strategies are being explored, with the main goal being “to provide payment assurance for the project,” Mr. Hart told commissioners. “It doesn't matter whether it's the private or the government underwriters...they don't want to come in and provide capital for the project and not have timely payments,” he explained.

Mr. Hart put commissioners on notice that the support of the PSC would likely be needed to evaluate the appropriate strategies and move forward accordingly.