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Effort to Lower Fuel Costs Falters as WAPA Fails to Secure New LPG Supplier

WAPA's March RFP for a new LPG supplier ended without a selected bidder, dealing a setback to the utility's decade-long push to move beyond its Vitol dependency; the board now faces pressure to determine its fuel supply strategy.

WAPA / **Published On July 01, 2025 06:11 AM /**

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LPG vessel headed to WAPA's Richmond power plant on March 31st, 2025. By. ERNICE GILBERT, V.I. CONSORTIUM.

The Water and Power Authority has ended its efforts to find a new supplier of liquefied propane gas after failing to receive a suitable response to its request for proposals.

WAPA had been seeking an exit from its longstanding supply agreement with Vitol, and to that end issued an RFP [around the end of March](#). At the time, CEO Karl Knight said that the utility was “about to get out from exclusive arrangements we've had for the last decade.” The hope was that a new propane supplier would lead to lower prices – both for WAPA and ultimately, the end consumer.

During a board meeting on Monday, however, Mr. Knight acknowledged that their efforts had been unsuccessful. “The solicitation process failed to meet the objectives of the RFP,” he said. The committee formed to evaluate the bids therefore recommended that WAPA “close out the process with no award being made.”

Without further discussion or questions, board members voted to close out the bidding process.

WAPA is currently operating on the fuel supply contract with Vitol which was extended to August, as Mr. Knight hoped to have results from the RFP process brought to the board in June, with a new contract finalized before the expiration of the arrangement with Vitol.

Now, with the RFP process closed and no indication of the agency's intention to restart the solicitation process, sources with knowledge of the matter say WAPA may now turn to direct negotiations with a selected supplier, according to procurement policy. Whether that supplier would be Vitol or another company remains to be seen.