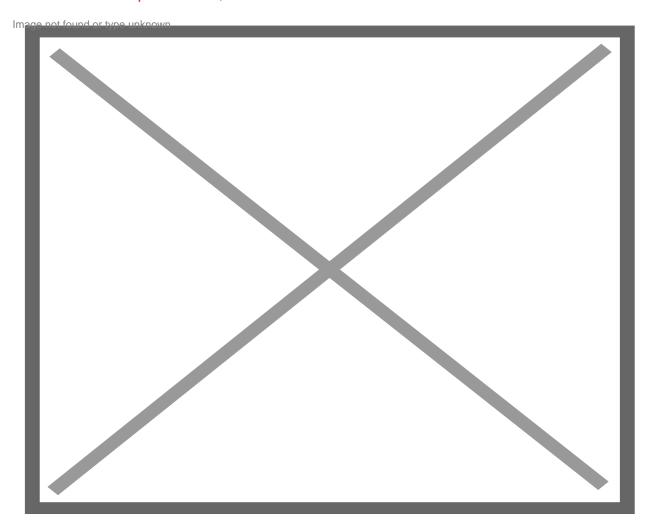
## WAPA Board Approves Solar Storage Amendments Despite Chairman's Concerns Over Costs and Oversight

The WAPA Board approved amendments to solar power agreements with Bovoni and Fortuna operators, adding battery storage at 5.45 cents/kWh, even as Chairman Maurice Muia warned about the need for clearer cost and savings analyses.

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Once again, the chair of the V.I. Water and Power Authority Governing Board found himself at odds with members as the board approved amendments to solar energy <u>power purchase</u> agreements.

WAPA management was seeking board approval to incorporate energy storage service agreements to the existing power purchase agreements made with solar farm operators on St. Thomas – STB Solar LLC in Bovoni and STF Solar LLC in Estate Fortuna. The PPAs themselves would also be amended to come into conformance with the overarching agreement.

"The amendment is needed to establish WAPA exclusive rights" to the battery energy storage systems during the contract terms, said Lemuel Lavinier, WAPA's Electric Division Chief Operating Officer. "This conforms to the board's prior approach for clarifying storage, metering and interconnection roles," he noted.

"The structured agreement is ultimately a lease plus an agreement to purchase any of the power discharge from the battery systems directly onto the grid," explained WAPA CEO Karl Knight. He emphasized that "the discharge from the battery system is metered separately from the discharge from the solar farm," so there is no risk of double billing. Output directly from the solar farm costs WAPA 11 cents per kilowatt hour under the existing power purchase agreement, while energy from the battery storage system will cost half that – 5.45 cents/kwh. The value of the monthly lease payment was not disclosed for the Fortuna energy storage agreement, but for Bovoni, WAPA contemplates paying a monthly contract price of \$55,556 for the first four years. After that, cost would be a "pro rata adjustment based on interconnection capacity availability," Mr. Levinier said.

Motions were made separately for the two energy storage agreements. With the public session of the special meeting taking place after a substantial executive session, there were no questions from board members, who all voted in favor of the PPA amendments, with the exception of Chairman Maurice Muia.

"We need to ensure that when we work through the financial aspect, the operational aspect, we understand the true costs," he said after both votes were taken. Calling the establishment of renewal energy production in the territory "one of the best decisions that we have made," Mr. Muia nevertheless stressed the importance of ensuring contracts and agreements are thoroughly vetted. This would entail a clear indication of "what it's saving the authority, what it's saving the customers, and ultimately having good bilateral terms and conditions that benefit both parties."

Mr. Muia could point to WAPA's recent efforts to find a long-term propane supplier as proof that prudence prevails when it comes to procurement. Board <u>approval for a direct contract</u> with Empire Gas was granted with little public detail about the agreement's terms and conditions. The chair's request for more time to mull over the proposed contract was overridden by other members. However, the contract approval had to be quickly rescinded after serious questions were raised about the supplier's ability to meet requirements.

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