The Virgin Islands Consortium

WAPA Says It Lacks Funds to Compensate Residents for Spoiled Food and Damaged Electronics After STT-STJ Power Crisis

Pressed by lawmakers over blackout-related losses, WAPA said it has no plan to compensate residents for spoiled food and damaged electronics, arguing that any relief would have to be funded either by ratepayers or through a legislative subsidy.

WAPA / **Published On April 10, 2026 05:14 AM /**

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WAPA CEO Karl Knight told lawmakers the utility has no money to compensate residents for spoiled food and damaged electronics caused by recent outages. By. V.I. LEGISLATURE.

With Virgin Islanders continuing to deal with the fallout from prolonged power outages that have damaged electronics and spoiled food, lawmakers used Thursday's Committee of the Whole meeting to press the Water and Power Authority on whether any relief is coming for affected residents, whether a state of emergency should be considered, and how WAPA plans to manage the financial strain of the ongoing crisis.

In response, WAPA officials said no compensation plan has been presented, argued that a state of emergency would not be helpful at this time, and disclosed that the authority remains short on operating cash even as it is owed millions in unpaid street-lighting bills.

The recent prolonged power outages have not only left Virgin Islanders in the dark but also damaged electronics and caused frozen food to spoil. Online, comments about thousands of dollars in wasted food dominated local forums over the past few weeks.

Lawmakers, keenly aware of the complaints from constituents, sought accountability from WAPA during Thursday's meeting of the Committee of the Whole.

Senator Dwayne DeGraff asked whether the authority was "possibly working on some kind of credit…for the people of the territory who suffered from these blackouts..and people who put food in the fridge and had to throw food."

Maurice Muia, the chair of WAPA's board, replied that there had been "such discussions with the executive director," but the board has "not received the plan."

Senator DeGraff then put the question directly to chief executive officer Karl Knight, but for the second time in a public setting, the WAPA CEO pushed back on the idea of compensation for those seeking to recover losses.

"We are a public utility. We do not turn a profit," Mr. Knight stated. "Any attempt to compensate anyone for anything ultimately has to be borne by either the ratepayers or be back right here, this body, asking for a subsidy," he added. The authority does not have any profits that could offset a subsidy or credit program, he explained.

Senator DeGraff was unhappy. "So then there's no plan," he stated.

For Mr. Knight, the issue was one of competing priorities. "I don't see how I can effectively craft a plan that doesn't grab us of the same resources [needed] to keep the power reliable."

The territory's power crisis requires hefty sums to facilitate emergency and temporary repairs, as well as to undertake long-term solutions. While the Federal Emergency Management Agency will fund certain large projects, they are currently not on schedule to provide immediate relief.

When WAPA last faced major financial constraints, Governor Albert Bryan Jr. declared a state of emergency. Senator Angel Bolques Jr. questioned whether that option was necessary now. Mr. Knight rejected that suggestion, as Governor Bryan has also done previously.

"The only benefit of the state of emergency would be to put financial resources into WAPA," Mr. Knight said. He referenced a "litany" of short, intermediate, and long-term projects that are already funded. Mr. Knight noted, however, that there were some “funding gaps” created by the most recent round of outages.

He explained that “there's capital dollars” for infrastructural development. “Our shortfall is really operating dollars,” Mr. Knight said. “Working capital is where we're short.”

According to Mr. Knight, a state of emergency would not be helpful as the authority continues negotiating with vendors for various projects.

“We don't want to send messages that discourage them or have them put extraneous terms on us because they feel that we're operating in a state of emergency,” he told Senator Bolques. “We don't want to send signals that suggest that we're heading in the wrong direction. And so while we've had this crisis, we don't think of this as being a recurring issue,” Mr. Knight stated.

While WAPA does not have the resources to issue credits for damaged property and lost food, there is money owed to them that could have potentially allowed them to do so.

According to WAPA’s chief financial officer, Lorraine Kelly, the agency is one of a long list of vendors owed past due invoices. A bill for street lighting is currently in the millions as no payments have been received since 2024, Ms. Kelly disclosed.