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WAPA Board Approves Contract for Projects to Underground Electrical Lines At Key Locations On St. Croix, and For New Wapa- Owned Generators At Harley Power Plant

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The governing board of the Virgin Islands Water and Power Authority, on Thursday, approved several items related to the ongoing modernization of the electrical and water systems territory-wide, WAPA has announced.

The board approved the final terms for WAPA to enter into a contract with Wartsila North America for an additional 36 megawatts of power by way of generating units that will be owned by the authority. The additional generators, complete with a battery storage system, represents WAPA's continued transformation of the Randolph Harley Power Plant, and will end the leasing

of generating units once the new units are commissioned in early 2022. The new generation will also allow for the power plant to fully operate with the lower cost, more reliable, and cleaner burning propane fuel. A more efficient power plant leads to lower operating costs, and savings for both the utility and its customers.

Executive Director Lawrence J. Kupfer told board members that the entire cost of the project will be covered by federal HUD grant funding. “Wartsila will install four generators with a capacity of 36 megawatts. The generators will be dual-fueled, capable of burning both LPG and fuel oil. They will be owned by WAPA as is the case with the first three Wartsila units that are currently dispatching 21 megawatts of electricity to customers on St. Thomas and St. John each day. The battery storage system will provide plant stabilization during unscheduled service interruptions to ensure a timelier restoration.”

The cost of the project is estimated at \$74.4 million. The new Wartsila units are priced at \$62.4 million, and the battery storage system at \$12 million.

The governing board approved three projects that will underground critical electrical equipment to allow WAPA to provide a more robust restoration of service following the impact of hurricanes and other windstorm events. The projects, at critical locales on St. Croix, are federally funded through hazard mitigation grants from FEMA and HUD. The projects approved today, and one previously approved for Cruz Bay St. John, are a part of WAPA’s transformation plan.

The approved projects include:

- Wilfred “Bomba” Allick Port and Transshipment Center at Krause Lagoon, known commonly as The Container Port. J. Benton Construction LLC was awarded the \$2.6 million contract that requires work to be completed 90 days after the issuance of a Notice to Proceed. Critical facilities that will benefit from the underground service include the Gordon A. Finch Molasses Pier, V.I. Port Authority docks and warehouses, O’Neale’s Transport, and the Limetree Training School.
- The Midland Underground Project contract was awarded to V.I. Paving at a cost of \$2.9 million. The project will underground facilities associated with electrical distribution feeders 6B, 9B, and 10B providing more efficient and reliable electrical service to Central High School campus and gymnasium, and to WAPA’s potable storage tank facilities. The undergrounding project will also facilitate the development of an additional feeder, 7B, and the normalization of the other three feeders.
- WAPA will enter into a \$1.7 million contract with Vivot of St. Croix to underground facilities in the Golden Grove area. The Golden Grove prison facilities, the Bureau of Motor Vehicles, and the V.I. Police Department’s training school and K-9 Unit headquarters are all critical facilities that will benefit from the Golden Grove Underground Project.

The work on all three projects will involve the upgrading and undergrounding of critical electrical equipment that will reduce or eliminate line loss, reduce maintenance costs and shorten restoration periods after windstorm events as equipment will not be exposed to weather impact. Outages caused by vehicular accidents will also be eliminated by the undergrounding initiatives.

The board also approved a change order totaling \$202,337.07 to complete repairs to generating Unit 17 on St. Croix. With the unit available, the Estate Richmond Power Plant can more quickly recover from unscheduled service interruptions. The final cost of the repairs stands at \$1.2 million.

On the potable water system, the board approved the Water Systems Master Plan under which a comprehensive analysis of the water distribution system will be carried out. The analysis will determine deficiencies, future water distribution system supply requirements, and recommend system-wide improvements. The plan was last updated in 1987. The master plan development was funded through a Department of Interior grant. Kupfer said the plan is a blueprint of sorts for the water department to follow over the next 20 years to upgrade and to expand potable water service across the territory.

The board approved the purchase of a crane truck for the water division and approved an increase in the project cost for the Christiansted Waterline Rehabilitation Phase 2 Project. The increase of \$59,632.50 and 83-day extension will allow for the completion of the project by January 2021. The new contract cost totals \$2.8 million. Once completed, customers in the Christiansted area will see improved water quality and there will be overall reduced line loss caused by aging pipelines.

In other action, the board approved:

- The Authority's Fiscal Recovery Plan
- The Finance Division's Policy and Procedures Manual
- A contract extension with financial advisors, Sustainable Capital Advisors, LLC
- An arbitration award with the V.I. Water and Power Authority's Employees Association Union representing rank and file employees
- Willis of Florida Inc. to become WAPA's authorized broker for insurance coverage
- Property insurance coverage for a one-year period in an amount totaling \$2.0 million inclusive of fees, taxes, and commissions.
- A three-year contract for the Authority's Microsoft Enterprise Agreement

The board also authorized Director Kupfer to enter into contract with the V.I. Port Authority for the purchase of real estate in Estate Nisky in the amount of \$2.6 million dollars. The transaction will be a lease to own agreement. WAPA intends to construct facilities to house personnel from the Transmission and Distribution Division that were displaced by Hurricane Irma. The construction of permanent facilities on this property will be FEMA funded.

In his monthly report to the board, Kupfer advised of an approximate 8% reduction in generation which he attributed to the COVID-19 pandemic. "Usually from February to March, we see an increase, however, the peak loads have been trending downwards. The pattern has continued through April and we are keeping a close eye on it."

LPG remains about 36% cheaper than oil and propane continues to be the fuel of choice at both power plants. In the month of March, he said the consumption ratio was 74% propane and 26% diesel fuel which he attributed to Unit 15 not being available at the Harley plant. The WAPA-owned unit was shut down on March 10 for unplanned maintenance, and efforts are being made to have it operational by this weekend.

"Not having that unit available meant we dispatched Unit 23 which is an oil only burning generator," he said. Relative to the water system, Kupfer said operations are normal, and storage is in a good place as we prepare to head into the 2020 hurricane season on June 1.

Board members present included Chairman Anthony D. Thomas, Vice Chairman Noel Loftus, Secretary Juanita Young, Directors Kyle Fleming and Joel Lee, Cheryl Boynes Jackson, Elizabeth

Armstrong, Hubert Turnbull, and Jed JohnHope.

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