

The Virgin Islands Consortium

Energy Office Receives \$510,000 Insular Affairs Grant For Renewable Energy Efforts

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ST. CROIX -- Virgin Islands Energy Office Director Elmo Roebuck, Jr. announced Monday that the Energy Office was awarded \$510,000 from the U.S. Department of Interior - Office of Insular Affairs. These funds are tied to the Empowering Insular Communities, a competitive grant opportunity made available to the U.S. territories, including Guam, American Samoa, Commonwealth of the Northern Mariana Islands, and U.S. Virgin Islands, as well as the Freely Associated States of the Republic of Palau, Republic of the Marshall Islands and Federated States of Micronesia.

"We are excited about this funding and eagerly look forward to implementing project initiatives identified in the U.S. Virgin Islands Energy Roadmap that will continue the work

started under the Energy Development in Island Nations (EDIN) Initiative pilot project. Additionally, these projects were outlined in the 2015 Memorandum of Understanding signed by Governor Mapp and Dr. Ernest Moniz, Secretary of the U.S. Department of Energy. These funds will provide for two priority projects under the Energy Transition Initiative that lacked funding," Mr. Roebuck said.

He expressed thanks to the U.S. Department of Energy's – Office of Energy Efficiency and Renewable Energy for their technical assistance. Jozette Walker, acting deputy director at the Virgin Islands Energy Office was also congratulated by Mr. Roebuck and her peers for coordinating efforts in the application of the grant opportunity.

The agency was successful in receiving \$310,000 towards an energy efficiency market potential project. This project will ensure that the Virgin Islands has the capacity to maximize the impact of limited public funds by providing up-to-date energy efficiency analysis and benchmarking. With some preliminary work already completed in prior capital projects, this funding would allow for a gap analysis of previous studies and available data on energy efficiency potential. This information will become key to understanding the market appetite for energy upgrades and how best to encourage the adoption of efficient technology and behaviors. The project would also include data analysis needed to continue to tailor different incentive programs in the future.

To achieve these goals, it will be necessary to conduct a pilot program with sample properties to establish benchmarks, track energy usage to identify savings and to receive technical assistance and guidance for the implementation of energy improvements across multiple sectors. Select sample properties include single and multi-family homes, offices, hotels, restaurants, schools, and government buildings. Monthly benchmarking will track performance and allow monitoring of progress toward goals and quantification of savings with the use of the Energy Star Portfolio Manager.

Additionally, the Energy Office was awarded \$200,000 to create sustainable market opportunities for distributed generation market structure. This project will open up the market for distributed generation and create a comprehensive energy policy. The rapid growth of solar photovoltaic (PV) systems in the territory and the net metering cap has placed the future of renewables and distributed generation in jeopardy. Currently, the amount of on-site net metered renewables that can be developed in the USVI is limited to 10 MW on the St. Thomas/St. John grid and 5 MW on the St. Croix grid.

There is a lack of clarity as to what happens once the cap is reached. This creates a need to develop clear and transparent policies for distributed generation, according to the release. As a group of islands with limited electricity load, high penetrations of distributed generation have the potential to create significant technical and operational barriers for the Water and Power Authority (WAPA). Additionally, the economics of off-grid solar for large hotels and businesses has the near-term potential to cause a significant number of utility customers to disconnect from the WAPA system, raising concerns about the current utility model and the societal impacts of grid defection.

"This project will enable the USVI to reduce its dependence on fossil fuel powered generation and to diversify its energy portfolio further. The ability to identify distributed generation sources such as net metering, backup generators, and stand-alone systems will prove useful in determining the needed utility grade storage necessary. To continue

the expansion of renewables it will be necessary to develop a comprehensive energy policy. This will address the challenges and future of renewable energy and its stakeholders while not compromising WAPA and lessening the peak demand," Mr. Roebuck said.

According to the release, the territory is pursuing a multi-pronged strategy to achieve this long-term goal, through renewable energy, efficiency in energy production, and efficiency in energy consumption.

In April 2009, the U.S. Department of Interior and the U.S. Department of Energy selected the U.S. Virgin Islands as a pilot project as a part of the Energy Development in Island Nations (EDIN) initiative with Hawaii. The Government of the Virgin Islands then declared a goal of reducing the territory's dependence on fossil fuel for power production 60% by the year 2025 through renewable energy generation and energy efficiency. Since 2009, under the U.S. Virgin Islands Energy Roadmap, the Virgin Islands has achieved more than a 20% reduction in fossil fuels towards its goal of 60% by 2025. The addition of renewable energy to the Virgin Islands' energy portfolio, the net metering program, the push for energy efficiency in the territory, and WAPA's propane conversion projects are attributed to this feat, the release concluded.