

The Virgin Islands Consortium

Ocean Thermal Energy Company To Begin Talks For Renewable Energy Plants In Territory Following P.S.C. Approval, Company Says

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ST. THOMAS -- Ocean Thermal Energy Corp. -- which has been attempting for years to convince local authorities that thermal energy power plants would decrease the energy costs of residents -- told The Lancaster Online, a paper based in the company's headquarters of Lancaster, Pennsylvania, that it would soon sign contracts with the Virgin Islands Water and Power Authority to build two renewable-energy power plants in the territory, one in St. Croix and the other in St. Thomas.

According to OTEC's chairman and CEO Jeremy Feakins, the impending negotiations follow the Public Finance Authority's approval that cleared the way for the company to begin negotiations.

But the energy savings would not be dramatically lower than what residents are currently paying. Speaking during a Senate hearing in April, Mr. Feakins told lawmakers that savings would depend on the purchase agreement it signs with W.A.P.A. Currently, W.A.P.A. is charging residential customers about 29 cents per kilowatt hour. Ted Johnson, OTEC's senior vice president, said at the hearing that the likely range would be about 26 cents per kilowatt hour.

And at the P.S.C. hearing where the approval was given, commissioners questioned whether OTEC's project would wind up costing customers more than they are currently paying once all factors were set in motion.

The V.I. Legislature in 2014 authorized OTEC to conduct a feasibility study that would determine whether the project was viable. This year, the firm said the study had been completed and the results positive.

The plants, costing \$500 million to \$800 million combined, would be the world's first commercial power plants to use ocean-thermal technology. "It's history in the making," Mr. Feakins told *The Lancaster*.

According to information Mr. Feakins relayed to the site, OTEC would construct a plant that generates 7 to 15 megawatts of electricity in St. Croix. This facility would cost between \$200 million and \$300 million. The projects would be financed through Raymond James Financial, which would help the company secure the funds.

Off the coast of St. Thomas, the firm would build a plant that floats on the ocean and generates 15 to 30 megawatts of electricity. The facility would cost \$300 million to \$500 million, Mr. Feakins estimated, according to *The Lancaster*. The plants would also desalinate ocean water, making it drinkable.

Contract talks are set to begin in 60 days, according to Mr. Feakins. He estimated that it could take the company six months to negotiate the contract and simultaneously prepare an environment impact statement on the plants and obtain financing.

Construction of the plants would take 18 months. OTEC would build, own and operate the facilities, Mr. Feakins said.

Feature Image: Makai Ocean Engineering's ocean thermal-energy conversion demonstration plant in Hawaii. (Credit: Makai Ocean Engineering)