

The Virgin Islands Consortium

WAPA Approves Funding For Engineering Study Of New Power Generating Unit At St. Thomas' Randolph Harley Power Plant

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The governing board of the Virgin Islands Water and Power Authority on Thursday authorized Executive Director / CEO Julio A. Rhymer, Sr. to enter into a \$350,000 contract with Wartsila, North America Inc. to perform basic engineering services, WAPA revealed via press release today.

The approval comes on the heels of meetings WAPA's senior management has had with several manufacturers, towards the acquisition of a new generating fleet for the Randolph Harley Power Plant on St. Thomas.

Mr. Rhymer said the engineering work by Wartsila is required to determine the feasibility of adding a 21-megawatt propane powered power plant consisting of three, seven-megawatt generating sets.

"The preliminary engineering work, which will be completed in a six week period, will clearly define the precise parameters of the project. We expect that it will expedite and accelerate the installation of the facilities, mitigate permitting risks and delays, ensure the lowest contract price for the plant and minimize change orders from unanticipated conditions that could increase the cost of and potentially delay this project," he said.

Mr. Rhymer announced earlier this week that WAPA is beginning the acquisition and introduction of new generating units for the Randolph E. Harley Power Plant on St. Thomas, a move towards stabilizing power production, and more importantly, introducing more efficient, reliable and right-sized units to meet the power demands of the island district.

The acquisition of new generating units at the Harley power plant is one component of a Near Term Generation Action Plan which the board also approved Thursday. The plan extols the installation of new power generating equipment on a near term basis that would stabilize and simultaneously provide reliable and efficient power generation, avoid potential compromise to public health and safety while lowering electric rates to consumers.

The board also authorized a \$3.2 million contract with GEC for the completion of the purchase and installation of a 24-inch water main and four pressure reducing valve stations. The project which should take six months to complete will replace and upgrade the existing and aged ductile iron water main.

"This is the second phase of the already installed pressure management phase one project. The objectives are to reduce water pressure in areas that are over-pressurized and create a float distribution system where all of the major valves will operate in the open position. We should realize major savings in both line loss and maintenance costs from this project," Mr. Rhymer said.

In other action, the board approved:

- A contract extension for work now underway on St. Croix Unit 11 gas turbine. The extension increases the time and cost of the project which seeks to return the unit to service. A revised scope of work was required to complete major repairs on the unit.
- The surplus and disposal of a waste heat recovery unit now in storage on the U.S. mainland. The unit was purchased two years ago and an Integrated Resource Plan developed for the Authority has determined that the unit is no longer needed in the electricity generating mix on St. Thomas.
- A cost increase and time extension on an existing contract to allow for continued work by Control System Technologies. The company is providing technical assistance and project oversight for the upgrade of controls associated with seven of WAPA's gas turbine generators at both power plants. The generators have been converted to tri-fuel operation allowing them to use oil, propane, or natural gas in the generation of electricity.

- An amendment to the Governing Board's Bylaws, as they pertain to the officers of the Authority. Conforming to the reorganization of the Authority, the officers are: Chief Executive Officer, Chief Operating Officer of Electrical Operations, Chief Administrative Officer, Chief Financial Officer, General Counsel and Chief Operating Officer of Water Operations.

In his Executive Director's Report, Mr. Rhymer expressed his appreciation to WAPA employees for their support over the past nine months, in light of the finalization of his contract by the board on Thursday. He also commended the team of employees working to bring the LPG project to fruition, noting that the commissioning process on St. Croix is going well, and announcing that unit #20 is 100% on propane, producing 12 megawatts this past Saturday, and 20 megawatts during 8 hours on Sunday and again on Thursday.

He mentioned the Authority's move toward new generation, and noted that a team is in place working toward getting it done timely. And finally, Rhymer said the Authority is poised to roll out additional functions of the Automated Metering Infrastructure (AMI) system, specifically payment kiosks. These payment machines will be strategically located to afford customers the opportunity to make payments on their utility accounts at their convenience, while helping to reduce lines in the Authority's customer service offices.

Board members in attendance at the meeting included Chairwoman Elizabeth Armstrong, Vice-Chairman Noel Loftus, Secretary Juanita Young, Commissioner Gustav James, Director Marvin Pickering and members Gerald Groner, Esq. and Cheryl Boynes Jackson. Commissioner Devin Carrington was excused.