

The Virgin Islands Consortium

After Multiple Delays, St. Croix Is Now Powered By Propane

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ST. CROIX -- The Virgin Islands Water and Power Authority has completed the commissioning for two of three generating units on St. Croix, and the island district is now completely powered by propane (LPG).

The announcement comes after [multiple delays](#) that extended well over a year, and a budget that went from an original amount of \$87 million to \$150 million in January 2015. And it also follows multiple downgrades from major U.S. rating agencies, dragging the semiautonomous entity's bonds [into junk status](#).

But the news is sure to please residents, whose electric bills are expected to see a 30 percent decrease; a major promise of the conversion to propane.

WAPA Executive Director/CEO Julio A. Rhymer, Sr. provided the authority's governing board an update on the LPG conversion project at Thursday's monthly board meeting.

"For about two to three weeks now, the island of St. Croix has been 100% powered by propane. The commissioning of Units 16 and 20 is now complete, the units are burning propane to generate electricity and those two 20-megawatt generators are powering St. Croix." Mr. Rhymer said work is continuing on a third generating unit, Unit 17, which has been converted to burn three fuel types: propane, oil and natural gas.

On St. Thomas, Mr. Rhymer said commissioning of two converted generators, Units 15 and 18, is expected to begin by the end of this month with the islands of St. Thomas, St. John and Water Island expecting to be powered by propane in December.

"Once online, the two 20-megawatt units will contribute just over 50% of the district's peak power demand. It is our intention to complete the commissioning of the two units on St. Thomas and have the district powered by a combination of propane and oil by the end of this year," he said.

The governing board on Thursday also approved a contract for brokerage services by IFS Securities. The company will act on WAPA's behalf as it seeks out the design, installation and financing of a lighting and solar project. Mr. Rhymer told board members the lighting project consists of the retrofitting and installation of smart lighting solutions to more than 15,700 streetlights. The project will also include 100-watt LED fixtures and replacement lights, a controller, a WI-FI communication network and remote controls for the light's operation. The estimated cost of the lighting project is \$18.1 million. The solar project consists of the retrofitting and installation of 3.5 megawatt solar power generation on 10,425 streetlight poles, including high efficiency 240-watt panels, micro-inverters, a communication network and remote control. The solar project has an estimated cost of \$10.9 million.

The board also approved a number of items relating to the day to day operations of the public utility.

? A change order to an existing contract with Texas-based IV-AGA, to allow for continued work on upgrading the fire protection systems at the two power plants. The \$626,295.80 change order increases the overall contract to approximately \$5.8 million and extends the contract deadline to June 30, 2017.

? An extension of a major inspection contract for Unit 23. The extension facilitates the completion of a major overhaul on St. Thomas' largest generating unit to address its reliability, increase its efficiency and correct unit deficiencies. The board also approved a 15% contingency to cover any unknown costs that may surface during the unit's overhaul.

? Granted authorization to allow the Executive Director to sell off a surplus of fuel oil that was acquired by the Authority when two boilers were in operation. The boilers which required the #6 fuel are no longer being used.

? A change order to extend a project end date relating to the rehabilitation of potable waterlines in downtown Christiansted was approved. The action by the board extends the contract by sixteen calendar days due to complications and delays experienced with unknown underground infrastructure. The project cost will also increase by \$82,060.00 to cover additional work added to the project.

? Renewal of the Authority's health insurance policy with CIGNA healthcare.

? The purchase of a parcel of property at Estate Nisky. WAPA is purchasing the property from the Virgin Islands Port Authority for \$2.6 million dollars. The purchase will be interest free and financed over two years. "We will build a much needed central location for the Authority's Transmission and Distribution Department. This site provides adequate spacing for the division, WAPA's garage and varied support staff. The facility will also house the Authority's Systems Operation Center, the data center for the Automated Metering Infrastructure (AMI) project and the Information Technology Division.

? A sixty-day extension of a contract and a cost increase of \$66,240. to cover additional live line certification training for line department personnel.

? A sixty-day extension and increase of \$677,769, for the purchase of additional smart meters. These additional meters will allow for the complete deployment of meters on St. Croix and have additional inventory. The additional cost increases WAPA's overall costs of the Tantalus contract for AMI deployment to \$9.4 million which was funded through the RUS loan.

In his Executive Director's Report, along with giving the update on the LPG conversion to date, Mr. Rhymer also elaborated on the streetlight system. He indicated WAPA will use a tax exempt two-year bond anticipation note for the financing of the project which has a potential savings of 67% on the cost of operating the territory-wide streetlights. Currently, the estimated annual cost of operating streetlights in both districts is upwards of \$9 million. He noted that through the Authority's AMI system, the new streetlights will have the ability to communicate with both the newly installed electric smart meters and the future water smart meters. This feature is one of several advances the Authority is making with the AMI system.

Mr. Rhymer briefly reminded the members of the current government receivables, which to-date is approximately \$32.5 million and continues to rise. He made mention that the Waste Management Authority has been making strides by reducing their debt to WAPA from \$5 million to \$200,000. However, the Authority's big challenges remain the territory's hospitals, who still are not making payments.

Board members in attendance included Chairwoman Elizabeth Armstrong, Vice Chairman Noel Loftus, Secretary Juanita Young, Director Marvin Pickering, Gerald T. Groner, Esq. and Cheryl Boynes-Jackson.