The Virgin Islands Consortium

WAPA Board Approves 'Minor' Changes In Financing Of $85 Million Bond For Acquisition Of New Generating Units

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In an emergency meeting Monday afternoon, the governing board of the Virgin Islands Water & Power Authority approved what it described as "minor" changes to a financial arrangement that will fund three new generating units at the St. Thomas Randolph Harley power plant, seen above.

WAPA said in a release issued late Monday that board members voted unanimously to approve changes to the financial structure ahead of an anticipated closing early this month of what was revealed to be an $85 million bond sale. According to the Wall Street

Journal, the sale will be managed by Atlanta-based broker-dealer IFS Securities Inc.

WAPA said a firm, which it did not disclose, will provide up to $15 million for the first set of new generators. The addition of the new units will result in energy efficiency and improved operational reliability, according to the semiautonomous entity.

WAPA Executive Director Julio A. Rhymer, Sr. explained that the financing for the acquisition of the new units will facilitate the implementation of the authority's Integrated Resource Plan and Strategic Plan's objective of providing WAPA customers with more efficient energy at an affordable price.

Last month, Mr. Rhymer said the approval of the $85 million bond comes with a maximum maturity of up to three years from date of issuance. "The authority signed a contract with Wartsila North America for the purchase of three new generating units. Financing is required to fund costs associated with the acquisition, construction and installation of these new units to improve efficiency," he said.

WAPA is under contract with Wartsila North America to provide three new seven-megawatt generating units with options for additional units. The governing board initially approved the acquisition on April 11, 2017. WAPA said site preparation work is underway at the Harley power plant in anticipation of the new units, which are expected on island in early 2018.

Board members in attendance included: Chairwoman Elizabeth Armstrong, Vice Chairman Noel Loftus, Secretary Juanita Young, Commissioner Devin Carrington, Director Marvin Pickering, Gerald T. Groner and Hubert Turnbull. Commissioner Gustav James and Cheryl Boynes-Jackson were excused.