

The Virgin Islands Consortium

WAPA Signs \$23.8 Million 3-Year Lease Extension Of 20-Megawatt Generating Unit For Richmond Power Plant

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The governing board of the Virgin Islands Water and Power Authority addressed several power generation-related issues at its monthly meeting Thursday on St. Thomas, the utility announced Thursday.

The board authorized Executive Director Lawrence J. Kupfer to enter into a lease agreement with Aggreko, LLC for the rental of a 20-megawatt generating unit to bolster generation capacity at the Estate Richmond power plant on St. Croix. According to the release, WAPA will lease the unit for three years, at a cost of \$23.8 million dollars. The

leased unit will replace Unit 16, which suffered catastrophic mechanical issues in 2017, and has been unavailable. The Aggreko unit will improve loss of load probabilities, improve heat rates during operation, replace a less efficient unit, and generate net savings of approximately \$6 million over a two-year period, the utility said.

For the Randolph Harley power plant on St. Thomas, the board approved a contract cost increase of \$47,500 with APR Energy's third leased generator, Unit 27. The increase was necessary to facilitate the rerouting of the unit's electrical interconnection and piping components, WAPA said. The board also authorized negotiations for an extension of the lease term between WAPA and APR Energy for the original 20-megawatt generator, Unit 25. The three-month increase extends the overall lease to July 1, 2018, at an additional cost of \$1 million.

The board approved the utility entering into a power purchase agreement with Caribbean W2E Conversion USVI. WAPA will purchase electrical energy from the company's waste-to-energy conversion systems on both St. Thomas & St. Croix. Caribbean W2E Conversion USVI is a qualified facility approved by the Public Services Commission, pursuant to the Cogeneration and Small Power Production Act, which requires that WAPA negotiate and enter into power purchase agreements with facilities certified by the PSC.

In other action, the governing board:

- Authorized the executive director to enter into Mutual Aid Agreements with public power utilities, and to call upon those utilities to aid in restoration of electrical service in the event of a windstorm emergency. The authorization is in anticipation of the 2018 Atlantic Hurricane Season. During discussion of this item, board chair Elizabeth Armstrong praised the WAPA team for the restoration of service following the two hurricanes. She noted that when compared to other locations impacted by last year's hurricanes, "WAPA has done extremely well and are now benefitting from lessons learned as we move towards hardening and adding resiliency to our systems. The board and I are grateful for the fine work of the WAPA team."
- Authorized the payment to Sevenstar Yacht Transport for the transportation of emergency crew vehicles, equipment and supplies to and from the territory. The additional vehicles augmented local resources in the restoration of electrical service following the 2017 hurricanes. The payment totals \$1.1 million.
- Rescinded previously issued authorization for the lease of additional office space at Port of Sale Mall on St. Thomas. The space is no longer required.
- Approved the purchase of flame retardant clothing for employees of the Authority's line and power production departments, and Information Technology staff. Wearing fire retardant clothing while present in the power plants is a mandatory safety requirement. The inherent blend flame retardant clothing will be purchased from Tyndale, USA at a cost of \$520,406.45.

Board members in attendance included: Chairperson Armstrong, Vice-Chairman Noel Loftus, Gerald T. Groner, Esq, Hubert Turnbull, Cheryl Boynes Jackson, Commissioners Nelson Petty and Devin Carrington. Secretary Juanita Young and Director Marvin Pickering were excused.