

The Virgin Islands Consortium

Opinion | An Alternative WAPA Ought To Consider

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With what I consider a crisis at WAPA, I am sure the issue of privatization will once again be on the table. It is probably under the table already!

When Southern Energy was seeking to buy the utility, several of us raised the possibility of becoming a cooperative under the National Rural Electric Cooperative Association (NRECA). The Association's leadership came down and a community meeting was held on St. Croix. The administration at the time was vehemently opposed to considering a cooperative, and when Southern went away, it was difficult to develop the local leadership and so the issue died. It ought to be back on the table as the Virgin Islands considers the way forward.

I offer the example of Kauai which formed the Kauai Island Utility Cooperative around 1999, and with a loan from the Rural Utilities Service and possibly through the National Rural Utilities Finance Corporation bought the company for \$215 million. It is owned by its ratepayers and employees and is a member of NRECA. It has now done much to diversify its energy sources, but in 2011 when it was still over 90% dependent on fossil fuel, it paid small year end dividends to its members.

I will have to look for it, but years ago, with support from the US Department of Commerce, the WAPA Union employees commissioned a study to look at alternatives for restructuring ownership of the utility. It looked at an ESOP, Cooperatives, Privatization and various combinations of them and reported pros and cons of each. We therefore have something that could be unearthed as a start.

I believe we have to do something or we could find ourselves without electrical power or paying even more unsustainable rates. But I also feel strongly that we need to seriously look at alternatives now before we find ourselves with our backs against the wall with only one alternative that may not be the best for our community.

Submitted on Tuesday by Donna M. Christensen, former delegate to Congress.