

The Virgin Islands Consortium

WAPA to Install New Generators for St. Thomas/ St. John District; Bryan, Kupfer, Seeking 5-Cent Reduction in Base Rate by 2021

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ST. THOMAS -- Ratepayers territory-wide could see a slight drop in their monthly WAPA bills and a more substantial boost in power generation in the St. Thomas/ St. John District by the end of 2020. If all goes accordingly.

Use of renewable fuels will increase dramatically. And the power outages that have plagued Virgin Islanders since WAPA's birth in 1964 will be fewer and farther in between. Again, if all goes accordingly.

Government officials announced Monday major advances in both the territory's recovery from Mother Nature's 2017 wrath and in resiliency in the face of future disasters.

The Gov. Albert Bryan Jr. administration said doors are now open for bids for the purchase and installation of four propane-fueled generators at the Randolph Harley Power Plant. Soliciting bids for the \$90 million future project is a "milestone" in WAPA's post-hurricane transformation. New generators to replace old ones are expected to generate up to 40 megawatts of electricity to the grid serving St. Thomas and St. John.

Replacing the aged and outdated generators currently in use with cleaner-burning and more efficient generators should also save consumers about 5 cents per kilowatt hour in their monthly bills, WAPA Executive Director Lawrence Kupfer said. Any savings likely would not be realized until sometime after the end of next year, Mr. Kupfer said.

Gov. Albert Bryan Jr., Mr. Kupfer, Office of Disaster Recovery Director Adrienne L. Williams-Octalien and Housing Finance Director Daryl Griffith touted the coming generator purchases as the first major draw-down from a \$242 million chunk of federal Community Development Block Grant money the territory currently has access to. The funds were released by HUD [during the Mapp administration](#) in September 2018.

Have a little Faith

WAPA customers, in large part, may have lost faith and trust in the power authority's ability to deliver reliable and affordable electricity, Mr. Bryan acknowledged.

Indeed. Dozens of protesters turned out at the most recent Public Service Commission hearing, where WAPA sought an increase in the electricity base rate charged to customers (the request goes before the Public Service Commission in October).

In the past few weeks, the governor's own phone has blown up with text messages warning him to keep the politically toxic WAPA at arms length, Mr. Bryan said.

However, " ...there is no recovery without the recovery of an affordable and reliable power grid. What we have to do is have a little faith and a little trust that we can do the things that will make WAPA reliable and stable once again," Mr. Bryan said. "Our economy depends on it. The people that live in the Virgin Islands depend on it."

For the first time in recent history, the Government of the Virgin Islands had paid all of its outstanding debt to WAPA. Executive branch agencies are up-to-date on electric bills, and Mr. Bryan vowed his administration will pay its bills on time going forward.

The delinquencies that were paid off include:

- \$11.7 million on behalf of the Juan F. Luis Hospital on St. Croix
- \$10.5 million on behalf of Schneider Regional Medical Center on St. Thomas
- \$700,000 on behalf of the V.I. Waste Management Authority

"We've made sure that we've paid down our WAPA bills and we have a commitment to keep paying those bills on time," Mr. Bryan said.

WAPA is pushing for a 2.5 cents per kilowatt hour increase in the base electricity rate. The authority is also asking that the Public Service Commission to OK a 2.5 cents per kilowatt hour decrease in the LEAC portion of consumers' bills. For customers, it all means no change in the monthly WAPA bill, Mr. Kupfer said.

According to the V.I. Office of Disaster Recovery website, more than half of the disaster recovery money already approved will go toward rebuilding the Virgin Islands' infrastructure, including generating and distributing electrical power.

Step One in the recovery is the four new generators for the Randolph Harley plant. After that:

- Two emergency generators – one serving Cruz Bay and one serving Coral Bay – are being installed on St. John;
- An unspecified number of number of solar arrays in St. Croix and St. Thomas;
- A vow by the Bryan administration that there will be no increase to power rates when WAPA increases the base rate and decreases the LEAC (Levelized Energy Adjustment Clause).

Reliability and Efficiency

Changes are coming in power generation.

Back in 2016, plans first surfaced for smaller, more efficient and “renewable compatible” generators using propane as the primary fuel. “Just in the last couple of months the authority has commissioned 41 megawatts of the future generation that we want to have,” said Mr. Kupfer.

“Today, 50 percent of the power that we are generating is by those new more efficient generators,” he added.

Wind and Solar energy production are different stories.

Renewables

WAPA's post-hurricane “transformation plan” is to increase the use of renewable energy, Mr. Kupfer said. Today, a fraction of the electricity produced on our sunbaked islands comes from renewable solar or wind sources. Most of the aging and unreliable generators in use burn natural gas processed into propane or from refined petroleum.

“Today only 1.4 percent of the energy that we produce comes from renewable, free energy,” Mr. Kupfer said. “And we need to substantially increase the amount of renewables and battery storage on our grid.”

A second influx of \$779 million in federal Housing and Urban Development CDBG recovery funds could bring another 30 megawatts in solar projects that could be installed by the end of 2020, Mr. Kupfer said.

Meanwhile, FEMA has approved the “hardening of substations,” Mr. Kupfer said, and WAPA has already started construction of new concrete-reinforced East End substation adjacent to the National Guard armory near Red Hook.

Up to yesterday, FEMA has obligated \$600 million to projects to harden the Virgin Islands electric transmission and distribution system. Those projects include putting overhead electrical circuits underground. “When we are done, 50 percent of our customers will have power directly to their meters,” Mr. Kupfer said.

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