

The Virgin Islands Consortium

Opinion | Governor Must Move Beyond Words And Support The Restructuring And Reform Of WAPA

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In the opening letter of the executive FY 2020 budget Governor Bryan submitted to the 33rd Senate for approval are the following inspirational declarations:

“My administration has embarked on a mission to “Change Course” while stabilizing our Government”.

He emphasizes his administration's priorities are:

“Rebuilding trust in the functions of Government,

Rebuilding the Territory from the aftermath of the storms.

Growing the economy and expanding the private sector.

Developing a well educated and skilled workforce. “

He also states "My administration will....

“improve the Water and Power Authority to provide reliable delivery of power with reduced rates for residents, businesses and Government.”

These worthy aspirations articulated in the 2020 budget mission statement are DEAD ON ARRIVAL unless the Governor is prepared to move beyond words and actually reform and restructure WAPA, either through legislative means or an emergency declaration supported by the federal government.

In the intern, WAPA has buried any hope for economic recovery in many sectors of our economy.

We have suffered for many years with unreliability and high rates but as of this summer the public trust has been irrevocably broken with respect to WAPA, the chronic outages, and its ongoing failure to provide energy security at affordable rates.

The Governors advisors appear to have accepted the WAPA narrative:

'WAPA can solve its own problems, just have patience, endure some more, suffer some more, hope, a fix, and a rate increase are just around the corner.'

Albert Einstein once said that insanity is doing the same thing over and over again and expecting different results.

Past performance is a good indicator of future performance. WAPA is not in a position to change its operating or financial culture this late in the game.

In less than 90 days WAPA's negative cash balance will balloon to \$35 million. The law of financial gravity predicts radical intervention is required.

Senator Janelle Sarauw and Frette- Gregory have recognized this essential fact and have proposed sweeping and historic legislation to take control of the utility through professional outsourced receivership.

Both senators demand fiduciary oversight of WAPA in a publicly released Senate statement. “It is time we treat WAPA with the urgency of the emergency it is,” says Senator Sarauw.

Similarly, the Delegate to Congress Stacey Plaskett in a 4-page letter to Governor Bryan has asked the Governor to use an emergency declaration to bring relief to the people of the Virgin Islands. (VI consortium.)

The declaration if supported federally, would allow the vast resources of the US Government to be called upon to assist in ending the energy crisis once and for all.

In the 2018 National Governor's organization "A road map for Governors during energy emergencies,"

"an ENERGY EMERGENCY definition is described as : an electrical grid outage, pipeline disruption , or fuel shortage, occurs when an actual or imminent severe energy supply interruption threatens the health, safety and well- being of a population."

1. I think we can safely say the chronic outages plaguing the territory meets and exceeds the above definition of an energy emergency.
2. I think we can safely say our fuel suppliers including VITOL who is owed \$96 million and has threatened to cut us off for payment failure constitutes a grave threat to our fuel supply. Let's not forget the Federal court judgment against WAPA for \$24 million from a past fuel supplier Trafigura, currently unpaid.
3. I think we can also safely say the current cost of electricity in the territory presents a grave danger to our economy and the wellbeing of our people, in fact it is destroying our economy.

According to the Delegate WAPA has not been able to access the first tranche of FEMA recovery money because our federal partners have raised questions about the utility's ability to handle such large sums. She points out in her letter WAPA has not had a single audit done since 2015. She states:

"WAPA has been expressly cited to me by officials of the Department of Housing and Urban Development ("HUD") as a primary entity which lacked the ability to handle hundreds of millions of dollars in federal aid". Two years after the storms our long awaited FEMA recovery money is frozen.

Gubernatorial leadership and grit are needed.

The Governor cannot bob and weave or kick the can down the road. He cannot say this is simply a local matter requiring local fixes, ignoring our interconnectedness to the United States.

He cannot ignore the debt elephant in the room which limits our options.

The public tired of suffering and broken promises, is demanding action. They expect to hear from our leadership on a actionable plan that will lead to a well- run and financially viable utility producing affordable power.

Changing course now on WAPA is our only hope, as promised by Governor Bryan in his 2020 budget. I believe he is committed to this historic undertaking.

Resubmitted Sunday by Filippo Cassinelli