

The Virgin Islands Consortium

Redevelopment of Larger Capacity Donoe Solar Farm, Contract Extension for Ongoing Electric and Water System Projects Approved By WAPA Board

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The governing board of the Virgin Islands Water and Power Authority Thursday approved an agreement with BMR USVI Renewables, LLC for the redevelopment of the Donoe solar farm on St. Thomas. Before Hurricane Irma, the solar farm had a capacity of 4.188 megawatts, and it will be redeveloped with a capacity of 5.025 megawatts, WAPA said.

BMR Renewables, which also owns the solar farm in Spanish Town, St. Croix, will purchase the Donoe facilities from Western Solar Parent, LLC. The amended and restated power purchase agreement that will be entered into between WAPA and BMR

USVI Renewables, LLC has a term of 25 years, with an option to extend for an additional five-year period, according to WAPA.

"The new agreement includes a pricing structure that better protects our customers as it more closely follows the Authority's avoided cost over time." The previous agreement was at a fixed and escalating price over the term of the agreement. Under this agreement, pricing will be fixed for the first six years, and thereafter, will be tied to the Authority's LEAC with a fixed floor and cap," said WAPA Executive Director / CEO Lawrence J. Kupfer.

"The provisions of this agreement stipulate that WAPA will never pay more than 20 cents per kilowatt hour for the solar energy captured at Donoe, and the floor is set at 11.5 cents. Otherwise, after year six, the rate will be tied to LEAC," Kupfer added, "This is a major boost to the long term plans of the Authority to add more renewables to the electric grid. The solar energy captured at Donoe will be interconnected to the grid, and benefit all customers in the district. WAPA has an existing power distribution center at the Donoe solar site," Mr. Kupfer explained.

In other action, the governing board approved:

- A time extension to a contract with ABB, Inc. to replace a switchgear at the East End substation which was damaged in the 2017 hurricanes. The extension is required to allow for civil work at the substation site to be completed. The new contract end date is July 31, 2020.
- An addendum to a purchase order for additional materials and labor needed for the switchgear replacement at two electrical substations on St. Thomas. The additional cost for materials is \$110,476.80.
- A change order to an existing contract with Leumas Engineering to cover increased costs of waterline materials, asphalt and backfill material. The contract is associated with ongoing work on the Christiansted Waterline Rehabilitation Phase 2 project. Once completed, the project will significantly improve water quality in the Christiansted area of St. Croix while also reducing line loss.
- The Fiscal Year 2020 Electric System Capital Budget totaling \$4.5 million dollars.

WAPA said the board delayed consideration of operating policies, and standard operating procedures for several divisions in the authority's finance administration department. Members asked for further review of the policies prior to board consideration. The members also voted against a time extension to a contract with Sulzer Turbo Services, requesting that it be brought back to the board with a more detailed justification.

In his monthly report to the board, Mr. Kupfer spoke of the success WAPA has seen with adjustments made to pressure regulating valves for generating Units 26 and 27 on St. Thomas. The malfunctioning valves were determined to be the root cause of the district-wide outages in September. Mr. Kupfer also reported that there were no OSHA reportable injuries in September. "Our employees are continuing to work safely, and we are pleased with this performance," he said.

Board members in attendance included Chairman Anthony D. Thomas, Vice Chairman Noel Loftus, Secretary Juanita Young, Directors Joel Lee and Kyle Fleming, Cheryl Boynes Jackson, Elizabeth Armstrong, and Hubert Turnbull.

