

# The Virgin Islands Consortium

## PSC to Meet Friday to Consider Reinstating WAPA 3-Cent Lease Generation Surcharge

WAPA / **Published On December 26, 2019 06:08 AM /**

Staff Consortium **December 26, 2019**



**Former Senator and head of Alliance for Consumer Justice, Clarence Payne, testifies during Dec. 12 PSC hearing on St. Thomas. By. Ernice Gilbert for the Virgin Islands Consortium.**

The Public Services Commission will meet on Friday at 9:00 a.m. to consider reinstating a leased generation surcharge that the PSC voted on Dec. 12 to allow to expire on Dec. 31. Along with allowing the surcharge to expire, the PSC also lowered the Levelized Energy Adjustment Clause, known as LEAC, by 3 cents, and rejected a base rate increase WAPA had sought, which the authority said was needed to refinance its massive debt load.

The PSC meeting will take place in tandem with an emergency session also being held on Friday in Charlotte Amalie, where lawmakers are expected to approve \$6 million in Vitol payments. The Dutch energy and commodity company stopped providing WAPA with propane on Saturday at noon, sending WAPA back to the more expensive diesel fuel to run its generators. If the government does not provide the \$6 million to Vitol, it would mean 57 cents per kilowatt hour rates for U.S. Virgin Islanders, according to WAPA and government officials. Currently, USVI WAPA customers are paying the highest rates in all of America at 43 cents per kilowatt hour.

Senate President Novelle Francis said while the Senate would likely take action in favor of providing Vitol the \$6 million to restore propane shipments, the Senate president stressed that changes in WAPA's leadership and accountability structures would be part of any bailout, and that the money set to be approved Friday would go straight to Vitol.

"If they don't want to do it, we'll do it for them," Mr. Francis said, referring to putting levers in place for more accountability at WAPA.

Governor Bryan highlighted the high cost of powering the territory on diesel. "Not being on propane fuel costs us about \$200,000 a day," he said. The governor also said, "Our intent is to create a solution that is well thought-out and holds WAPA accountable. Our goal, always, is to have a more reliable and affordable power grid."