

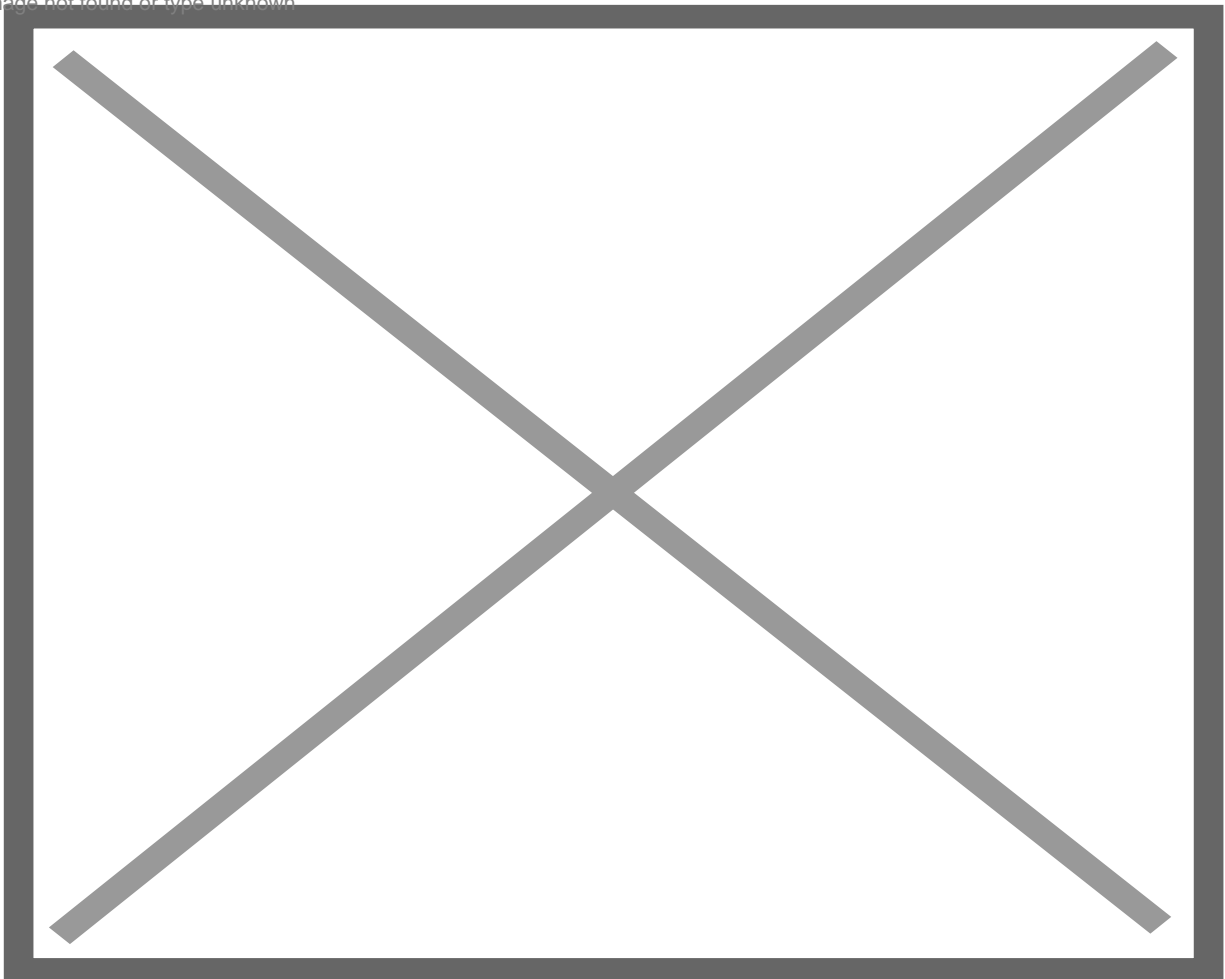
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WAPA Board Approves \$400,000 Per Shipment to Secure Fuel From Limetree Bay Terminals as Hazardous Weather Impedes Marine Deliveries on St. Croix

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Epic Curacao, ship carrying first delivery of propane fuel to WAPA in Oct, 2015, docked at the semi-autonomous entity's Christiansted port. By. WAPA

Hazardous weather, more pointedly high winds is preventing the V.I. Water and Power Authority from receiving propane or number 2 oil shipments at the WAPA Richmond dock. Therefore, the authority sought — and received — approval from the WAPA Governing Board Friday morning of \$400,000 per shipment to make land purchases of number 2 oil from Limetree Bay Terminals.

According to WAPA CEO Andrew Smith, the hazardous weather, which is only impacting St. Croix, is projected to continue throughout the weekend, and he is expecting that WAPA will resume its normal dock operations between Monday and Tuesday. If the weather persists past those days, Mr. Smith sees the \$400,000 per delivery being enough to prevent any disruptions.

Mr. Smith said its stock of propane and number 2 oil was diminishing because of the hazardous weather conditions on St. Croix. Additionally, he said the cost of propane saw an increase of 4 percent between Wednesday and Thursday.

WAPA has already made contact with Limetree Bay Terminals as well as the trucking company for the deliveries to the Richmond power plant. "What we're doing here is instead of propane, which we are low on.... we are simply repurposing those purchases to truck supply," said Mr. Smith regarding the purchase of the number 2 oil from Limetree Bay Terminals. Number 2 fuel, like number Nos. 1 and 4 are used primarily for space heating and electric power generation.

According to Mr. Smith, the agreement will facilitate deliveries of 2,000 barrels per day which will be transported by truck on 8-10 loads, preferably in the daytime.

On a broader note, Mr. Smith said shipment of fuel to the Caribbean is currently challenged, with the most likely culprit being bottlenecks caused by sanctions placed on Russia for invading Ukraine. Russia is one of the world's largest exporters of oil.

Even so, Mr. Smith said deliveries were on their way to the Caribbean.

Board Chairman Kyle Fleming stressed that the funding was not out-of-budget dollars that would result in an additional cost burden to the authority. Instead, the approval is aimed at maintaining operational continuity by purchasing fuel that cannot be fulfilled through traditional means.