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WAPA Paying 62 Cents Per kWh to Generate Power But Charging 41 Cents. 'That's Not Magic, We are Subsidizing Rates,' Bryan Says

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If it were not for the V.I. government, Virgin Islanders would be paying considerably higher utility rates, Governor Albert Bryan told the Consortium Wednesday following a Tuesday meeting the governor held with the Water and Power Authority about utility rates and Mr. Bryan's plan to transition the territory to renewable forms of energy.

The governor's comments brought to the fore the hefty financial burden on the V.I. government to subsidize WAPA in an effort to keep rates at current levels, even as the price of fuel has skyrocketed as a result of inflationary pressures and Russia's war against Ukraine.

During the meeting, which included other stakeholders, Mr. Bryan said WAPA presented great ideas, all of which are expensive and whose funding source is uncertain. "They gave us a lot to think about and more to pay for," he said. "The fuel bill is astronomical and we need to stop the bleeding but we must make decisions that create future gains."

Mr. Bryan added, "Currently power is costing WAPA 62 cents [per kWh] and we are paying 41 cents a kWh. That's a 21-cent gap. They presented a great plan but mostly to spend more money that we may not have. Gas has gone up 40 percent and the Levelized Energy Adjustment Clause (LEAC) has remained the same. That's not by magic, we are subsidizing rates. I made a commitment and I'm sticking to it for now."

The governor's statement hints at the GVI's inability to continue subsidizing WAPA indefinitely, a reality that demands painful changes at the authority.

In response to a St. Croix Avis article Wednesday that misstated the authority's plans, WAPA CEO Andrew Smith [said](#), "It is true that no company can survive if it costs the company more to make its product than it can charge its customer for its product."

"The strategic plan outlines an action plan over the next 12 months focused entirely on point #2 – cutting costs. It does not contemplate a rate increase," Mr. Smith added.

Governor Albert Bryan [in March announced](#) his intent to make St. Croix 100 percent solar-powered by partnering with a major energy firm that could build and maintain a solar plant powerful enough to easily energize the 84-square mile island.

"We want to put St. Croix 100 percent solar and put as much solar as we can in as quickly as possible. If we have one island that's burning the least amount of fuel possible that's a huge solution for us," the governor said.

"Getting something done and getting it down quickly, that's the kind of situation we're in," he added. "I told my people think about it as we need to get the whole island energized in 90 days... That's the kind of urgency we're under here because we cannot afford for the light bills to go where they were in 2008, 2009. It crippled our economy, crippled our small businesses — we have to figure this out and we have to do it quickly."

In order to accomplish his goal, Mr. Bryan said swift action is needed and this might come by means of an energy state of emergency declaration to push aside regulatory hurdles and other government red tape. "The way we're looking at this is the same way we looked at the whole grid being out after the [2017 storms]. Like this is an emergency situation so normal timelines don't apply. I've given serious consideration to declaring an energy emergency so that we could fast-track any bidding process, fast-track any permitting process and get somebody in here and get it up as quickly as possible," Mr. Bryan said when queried by the Consortium for a timeline during a March 14 press briefing.