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Setback for Efficient Power in St. Thomas: Wartsila Project Completion Delayed by 2.5 Months

WAPA / **Published On April 13, 2023 05:10 AM /**

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Three Wartsila engines.

Completion of the much-touted Wärtsilä project, which would introduce [more efficient](#) power generation to the Randolph Harley Power Plant on St. Thomas, has been pushed back two and a half months, said Water & Power Authority CEO Andrew Smith during this week's meeting of the Public Services Commission (PSC).

Scheduled to come online at the end of last month, the new date for "first fire" is now June 13, Mr. Smith said, following communication lapses with the supplier. Initially, first fire date had slipped to April 4th, but then "the timeline got cagey...Wärtsilä stopped being responsive to when we were actually going to get first fire," Mr. Smith said.

That prompted the WAPA CEO to get on the phone, Mr. Smith said, upon which representatives “fessed up” that there was a supply chain issue, pushing back the date the generators can come online.

Mr. Smith told the PSC that there had been a few “pointed conversations” with Wärtsilä as a result of the communications snafu, as he – and WAPA by extension – have made commitments to the PSC, other agencies and the public. “That lack of communication to me was very troubling,” the WAPA CEO noted.

Despite the setback, WAPA is prepared to engage its own network in attempting to procure the necessary parts, once Wärtsilä provides the necessary specifications. On a call with the vendor last week, Mr. Smith says he was informed by the Wärtsilä team that they would be escalating the issue in an attempt to source the needed components directly from the manufacturer rather than trying to find other third-party sellers.

“That was not a pleasant call,” said Mr. Smith. However, responding to a question from PSC Chair David Hughes, the WAPA CEO noted that contractual provisions do exist that would result in penalties of \$15,000 per generator per day, or \$1.8 million each month that the project is delayed. This would help to mitigate the cost to the territory of being forced to continue producing electricity using the current, less efficient generation infrastructure. “We are obviously having internal conversations about how to advance that, so I’d like to...leave my comments at that, but there are provisions for damages in the contract,” Mr. Smith said.

WAPA is currently trying to determine what are the “trigger points” from which to begin assessing non-performance milestones. Mr. Smith was careful to note that Wärtsilä has not yet been formally notified of any possible contractual breach, and said that WAPA was currently doing “our own internal diligence, if you will, to ensure that our engagement with Wärtsilä on that is as productive as it can be.”

The project has previously come under scrutiny from the federal government, with several Republican congressmen calling last November for an investigation into what they characterized as [inordinate delays](#) in the installation and commissioning progress. Their error-laden letter drew scathing criticism from Congressional Delegate Stacey Plaskett, who called the move a cynical ploy to assist the “pecuniary interests” of special interest groups “at the expense of the federal reputation of the people of the Virgin Islands.”