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WAPA Board Extends Deadline to December for Purchase of Vitol Propane Infrastructure

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Through the infamous Vitol agreement, propane tanks started arriving at WAPA in on Oct. 5, 2014. By. WAPA

The V.I. Water and Power Authority Governing Board held an emergency meeting on Friday, in which members voted to extend the closing date on the acquisition of the propane supply infrastructure from Vitol. The decision comes as WAPA works with the V.I. Housing Finance Authority on the grant funding process for the acquisition.

WAPA Executive Director Andrew Smith explained once again the vital importance of the acquisition, emphasizing its potential benefits to WAPA and the territory as a whole. The acquisition of Vitol's propane infrastructure, Mr. Smith reminded board members, will allow the

island to have dual fuel capacity and redundancy, thus increasing the amount of fuel that can be stored on the island, leading to energy security in case of future supply chain disruptions.

The closing date of the acquisition, originally scheduled for August 14, will be extended by 120 days to December 12, 2023. Mr. Smith assured the board and the public that no other terms in the existing contract have changed, and there are no additional payments due to Vitol in consideration for the extension.

Several board members questioned Smith for details on how WAPA was working with VIHFA and HUD to secure funding for the acquisition. That process involves pursuing a part of \$774 million allocated to the U.S. Virgin Islands for hazard mitigation. Among the details discussed were the ongoing work to modify the territory's mitigation action plan to include the propane acquisition, the creation of the relevant covered project narrative, the ongoing public comment period, and WAPA's response to questions from federal partners arising from earlier submissions of documents.

In his inquiries, WAPA board member Hubert Turnbull focused on the timing of correspondence with VIHFA, negotiations with Vitol and the specifics of the acquisition. After further clarification, he expressed dissatisfaction with some details of the process, though the motion to extend the time for the acquisition was carried, with Turnbull being the only dissenting vote.

Mr. Smith expressed confidence that WAPA would be ready to close before the new December deadline, if the federal grants process is completed before then.