

THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS

NEWS RELEASE

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March 29, 2021

WIND ENERGY TO BE ADDED TO WAPA'S POWER GENERATION MIX FOLLOWING APPROVAL OF POWER PURCHASE AGREEMENT

WIND FARM TO BE DEVELOPED ON BOVONI POINT

An ongoing effort by the Virgin Islands Water and Power Authority to introduce greater levels of renewables, namely solar and wind energy, to the territorial electric grids was recently enhanced when the utility's governing board approved a wind power purchase agreement between WAPA and Advance Power, LLC.

Under terms of the agreement, Advance Power will develop, finance, permit, design, construct, test, operate and maintain a wind farm at Bovoni Point on St. Thomas. Project completion is expected within 24 months of the effective date of the contract. The wind facility, comprised of six wind turbine generators, will produce approximately ten megawatts of wind energy which will be sold to WAPA.

Advance Power was the most responsive bidder to a request for proposals issued in April 2017 and negotiations have been underway since August 2017. Advance Power has held a certification as a Qualified Facility — or QF — from the V.I. Public Services Commission since 2014 and received an extension on that certification in November 2017.

Interim Executive Director / CEO Noel Hodge said the wind facility at Bovoni will compliment several other similar renewable projects the Authority is pursuing for all three islands as part of a federally funded strategic transformation plan. "We have applied to FEMA for approval of solar and wind projects in both districts as we move the needle forward in diversifying our generation mix. We recognize the need for the Authority to reduce its reliance on fossil fuels to generate electricity, and where feasible, WAPA will pursue projects that allow harnessing energy from lower cost sources such as solar and wind."

Hodge added that the reduction of reliance on fossil fuel for electrical generation will result in operational savings to WAPA and lower the cost of electricity to our customers. "Projects such as the Bovoni wind turbine initiative and the redevelopment of the solar facility at Estate Donoe, have the potential to drive down the overall cost of electricity. This reduction would be reflected in the LEAC surcharge on a customer's monthly bill."

The approved agreement lays the foundation for the development of a wind farm capable of generating about a sixth of the total peak power consumption on St. Thomas. A report by the National Renewable Energy Laboratory (NREL) identified the site for wind generation as early as 2012. The report estimated the total capacity of a Bovoni wind farm as between 7,000 and 29,000 megawatt hours per year.

"The wide range of potential energy generation represented by these estimates is a function of the total installed plant size, which is in turn limited by the number of turbines that can be placed on Bovoni Point and varying levels of productivity associated with specific turbine designs," a summary of the report reads in part. The report also estimated that the cost of generation would be much lower than the cost of oil or liquid petroleum gas-based generation.

The governing board voted unanimously on March 25 to approve the agreement with Advance Power, LLC.

Additional details on the project are available at http://www.usvienergy.com/.

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About WAPA: The Virgin Islands Water and Power Authority is an autonomous agency of the Virgin Islands Government which produces and distributes electricity and drinking water to residential and commercial customers in the territory. WAPA was created by the Fifth Legislature of the Virgin Islands in 1964 through Act No. 1248. Today, WAPA generates electrical power at production plants on St. Thomas and St. Croix and distributes electrical service through smart grids to customers on St. Thomas, St. Croix, St. John, Hassel Island, and Water Island. Potable water is distributed to almost 13,000 customers through water lines and standpipes. WAPA also has the responsibility of installing and maintaining streetlights.

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