

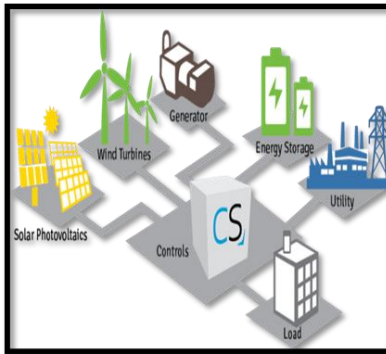


THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

(340) 774-3552 • communications@viwapa.vi / www.viwapa.vi

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WAPA Makes Headway with Renewable Energy Initiatives; Governing Board Approves Additional Key Items



Diversified energy sources and a stabilized grid is in the future for the territory. (Stock photo)

U.S. VIRGIN ISLANDS – The Virgin Islands Water and Power Authority’s (“WAPA” or “Authority”) Governing Board met today to move two key power purchase agreements (PPA) forward for both St. Croix and St. Thomas. The session also resulted in multiple time extension approvals and the passage of several addendums.

In renewable energy developments, the board approved the Authority to enter a contract with St. Croix Wind LLC for a Power Purchase Agreement for St. Croix. The contract is not to exceed 35 megawatts nor 12 cents per kilowatt hour for a fixed-price term of 25 years, with the option for a 5-year extension at the same terms and conditions. The board also approved the Authority to enter a contract with Bovoni Wind LLC for a Power Purchase Agreement for St. Thomas. The St. Thomas contract is not to exceed 20 megawatts nor 12 cents per kilowatt hour for a fixed-price term of 25 years, with the option for a 5-year extension at the same terms and conditions. Both approvals mark significant progress for the Authority, as it leads to lower energy generation costs, and balance the supply of renewable energy to improve its emissions profile.

“Our efforts at the Water and Power Authority are in line with the integrated resource plan and with every utility company in the world’s initiatives in seeking alternative energy sources,” noted CEO Andy Smith. “A fixed price protects us from volatile commodity prices seen in fuel. Wind and solar initiatives combined makes up a third of the energy needs across the territory at a competitive price,” added CEO/Executive Director Smith.

The Board approved the CEO to contract Power Purchase agreements for solar projects on St. Thomas, St. John and St. Croix with a fixed-price term of 25 years and the option for a 5-year extension at the same terms and conditions with respective contractors. The St. Croix contract is not to exceed 22 megawatts (MW), the St. John contract is not to exceed 20MW, and the St. Thomas contract is not to exceed 24MW.

Other approvals today included a cost increase and time extension for the Authority's Randolph Harley New Generation and Battery Energy Storage System (BESS) Project. The time extension through December 31, 2023, and cost increase will provide the Authority with adequate resources to successfully transition ownership of the new generators to the Authority, while also allowing sufficient time to demobilize and regrade the current build site.

The board approved the SC-05-23 West Peak Energy "Exhibit C" Amendment #1 due to personnel changes. "This is a large complex project that requires the assistance of a licensed Project Management firm and experienced commissioning engineers," stated Chavante Marsh, Interim Project Management Director. "Having this experience is beneficial to the pre-commissioning and commissioning stages of the [Wartsila] project and the increased labor hours are aligned with project needs."

This time extension is not going to have an impact on the installation and commercial operation of the new Wartsilas. The extension is needed to conduct tests and ensure balance of plant during the commercial stage, in addition to cleanup efforts.

The board approved the No Cost Time extension for SC-32-21 – Comprehensive Security St. Thomas and St. Croix. Also, on the agenda included WAPA requested approval for "Excess General Liability Insurance" April 2023-April 2024 coverage for a 3-year contract that provides an additional \$15 million which covers WAPA from claims.

Lastly, the board approved an amendment to Contract SC-20-21 for St. Thomas and SC-14-20 for St. Croix with Haugland Virgin Islands to accommodate the installation of additional composite poles. The addition of composite poles will mitigate future damage and disruption of power by replacing wood electrical poles with more wind resistant composite electrical poles, further fortifying the existing grid. In addition, SC-12-23 Trident Addendum #1 was approved to supply 800 additional Composite poles. Further to continue the Composite pole project progress, the board approved the amendment to Contract SC-24-21 with American Wire Group (AWG) to modify payment terms.

To date, the composite pole project in St. Thomas and St. John are at 85% completion and St. Croix is at 75% completion due to the size of the island, while Water Island is 100% complete. "Additional training and hands-on training with WAPA personnel and the contractors have been a bigger focus on the composite pole project," noted Acting Director of Transmission and Distribution Cordell Jacobs. "This training will ensure the WAPA team can service, install, and repair composite poles," added Jacobs.

CEO Andy Smith noted during the Executive Director's report, "The Governor is asking for funds to support the Vitol buyout while the federal process is underway to secure funding. The line of credit is intended to be replaced by the federal funds." Smith noted that WAPA is scheduled to testify on April 5th at the Committee of the Whole Hearing.

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.

(340) 774-3552 (STT/STJ) • (340) 773-2250 (STX) |  Virgin Islands Water and Power Authority |  @VIWAPA

