



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

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WAPA Moves Ahead with VITOL Settlement with Governing Board Approvals

U.S. VIRGIN ISLANDS – The Virgin Islands Water and Power Authority’s (“WAPA” or “Authority”) Governing Board met today and approved a Promissory Note between the Virgin Islands Water & Power Authority and the Government of the Virgin Islands (“GVI”) and the Transition Agreement Governing Settlement, Termination and Title to Vitol Infrastructure.

The \$45 million payment being advanced from the GVI from the recently approved line of credit from the Legislature is due May 1, 2023. Upon payment of the remaining \$100 million debt owed to VITOL, this payment will in totality settle the Authority’s debt to VITOL, while terminating the agreement to allow a more competitive approach to securing propane for the Territory following the August deadline with market-based propane.

The First Action Item for the CEO to enter into a Transition Agreement Governing Settlement, Termination and Title to Vitol Infrastructure, the Board voted as follows:

- Kyle Fleming, *Chairman*: Yes
- Elizabeth Armstrong: No
- Juanita R. Young, *Secretary*: Yes
- Cheryl Boynes-Jackson: Yes
- Hubert A. Turnbull: No

The Second Action Item for the Authority to gain a promissory note of \$45 million between the GVI and WAPA, the Board voted as follows:

- Kyle Fleming, *Chairman*: Yes
- Hubert A. Turnbull: No
- Juanita R. Young, *Secretary*: Yes
- Cheryl Boynes-Jackson: Yes
- Elizabeth Armstrong: Didn’t vote.

With the increased infrastructure storage, the territory will have approximately two (2) months of propane supply in the event of a disruption or blockage of the waterways. Further, the transition agreement will pass ownership of VITOL’s propane infrastructure to the Authority.

Attaining VITOL’s propane infrastructure is a significant moment for the Territory as a key step within the Authority’s Strategic Plan to improve operational efficiency and lower rates.

“This is a critical path to continue to fix the single largest debt and expense that the Authority has been unable to pay,” stated Andrew Smith, CEO/Executive Director of the Virgin Islands Water and Power Authority. “Though WAPA did initially engage in the negotiations with VITOL, GVI’s council,

Squire, Patton, Boggs finalized the negotiations and the terms of the agreement which will lower fuel cost by securing a competitive propane supplier.”

Additionally, the finalization of this settlement will enable WAPA to effectively manage fuel supply, remove some risk, and lower the cost of fuel.

The Authority continues to harden the Territory’s electrical grid, lower operational costs and increase resilience against natural disasters with other current initiatives including additional efficient generation in each district, diversification of renewable energy sources such as wind and solar, underground projects, and composite pole installations.

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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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