

VIRGIN ISLANDS WATER AND POWER AUTHORITY

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June 4th, 2024 Kyle D. Fleming, Chairman OFFICE OF THE GOVERNING BOARD

Series of Emergency Board Meetings Results in Execution of Critical Agreements and Focus on Resiliency Efforts for St. John

Over the past week, the Virgin Islands Water and Power Authority ("WAPA" or "Authority") Governing Board has held two Emergency Board meetings to take immediate action on critical items aimed at improving the Authority's service to the people of the Virgin Islands. Key items addressed at the recent Emergency Board meetings include:

1. Extension of the Asset Transfer Agreement & the Approval of a Short-Term Fuel Supply Agreement with Vitol

The Vitol actions represent significant advancements in the Authority's fuel supply strategy, aimed at ensuring long-term sustainability and cost-effectiveness for the utility and its customers. These developments include the transfer of assets from Vitol, a shortterm fuel supply agreement with Vitol, and the initiation of a structured Request for Proposals (RFP) process to secure a long-term fuel partner.

2. Approval of a settlement agreement with Wartsila to remobilize and finalize the commissioning of Phase 2 of the Randolph Harley Power Plant new generation project.

The approval of the Wartsila settlement agreement once fully executed ensures meaningful progress will resume on the installation & commissioning of highly efficient generators and the 9MW battery energy storage system (BESS).

3. Solutions for St. John transmission and resilience

In the wake of the recent extended disruptions on the island of St. John, the board held a detailed discussion with WAPA's technical team to devise a deep understanding of the current electrical service vulnerabilities. The board was informed of the portfolio of

corrective actions currently needed to improve the consistency of electrical service delivery to St. John, and tasked the WAPA team with scoping the cost associated with these actions ahead of upcoming June board meetings.

WAPA remains dedicated to delivering reliable, affordable, and sustainable energy to the residents of the U.S. Virgin Islands. These strategic initiatives reflect our ongoing commitment to enhancing the utility's operational capabilities and financial health, ensuring that we continue to serve our community effectively.

Sincerely,

Kyle Fleming Chairman, WAPA Governing Board