



**To:** Karl Knight, CEO & Executive Director  
Virgin Islands Water and Power Authority

**From:** Trenton Allen, Chief Executive Officer  
Sustainable Capital Advisors

**Date:** 12/12/2024

**Re:** Proposal to Serve as Finance Advisor to ViWapa

**Overview**

Virgin Islands Water and Power Authority (ViWapa) seeks consulting services for near and long-term financial planning to address debt restructuring and current capital needs, and to strategize on how best to position themselves for clean energy infrastructure opportunities. SCA's long-standing relationship and previous work with ViWapa, structuring financings including the Community Disaster Loans (CDLs), conducting financial feasibility analyses for onshore power and island-to-island interconnection and conducting the research, analysis as well as leading working groups with federal partners around utilizing HUD CDBG grant funding to acquire the Vitol facilities makes it a prime candidate for the role. SCA is eager to apply its substantial climate finance experience to support ViWapa.

**Primary Scope of Services**

SCA will provide consulting services for the following:

1. Short Term/ Liquidity Strategy (0-3 months)
  - a. Debt Structure Evaluation: Strategize how to address near term debt, cash flow needs, and future capital requirements.
2. Capital and Refinancing Transaction(s) (7 – 24 months)
  - a. New Money projects: Long-term funding for normal utility infrastructure and administration building.
  - b. Debt refinancing/restructuring: Evaluate and execute refinancing and restructuring opportunities for longer term savings/cash flow relief.
  - c. Note Refinancing (2021A BANs and 2024A BANs): Execute refinancing for BANs coming due July 2026.



3. Sustainable Infrastructure Advisory (3 – 24 months)
  - a. Renewable (utility scale) project financing: Evaluate and execute more favorable PPAs utilizing incentives from the Inflation Reduction Act (IRA).
  - b. Battery storage
  - c. Energy efficiency projects
4. On-going support (0 – 24 months)

Note: The timelines provided are preliminary and subject to change as necessary.

### **Term**

The term of this engagement will be 24 months.

### **Compensation**

SCA believes that fees should never be an obstacle to engaging our services. We are always prepared to discuss the scope of services and negotiate final fees in a mutually agreeable way.

- Based on the scope identified above, the proposed SCA fixed consulting fee for a 24-month scope is \$700,000 related to the primary scope and payable by WAPA. Further detail on the fees payable directly by WAPA is provided below.
  - \$100,000 paid at contract execution
  - \$75,000 will be paid in quarterly installments; billed at the beginning of each quarter payable within 60 days.
- SCA's fees for work related to a successfully completed financing is provided below:
  - Refinancing of existing note obligations with existing investors, SCA will receive \$25,000
  - Transactions less than \$25 million SCA will receive \$100,000
  - Transactions above \$25 million SCA will receive \$150,000.

**Note:** There are no fees related to work completed to establish, extend or term out bank facilities as well as Community Disaster Loans.