



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS **NEWS RELEASE**

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WAPA Submits Emergency Fuel-Cost Adjustment to the PSC

U.S. VIRGIN ISLANDS (Oct. 5, 2026) - The Virgin Islands Water and Power Authority (WAPA) has submitted a request to the Virgin Islands Public Services Commission (PSC) for an emergency 3-cent-per-kilowatt-hour adjustment to the electric Levelized Energy Adjustment Clause (LEAC) to address significant increases in global fuel costs.

WAPA recognizes that any potential increase in the cost of electricity, no matter how temporary, is difficult for customers. The Authority is directly affected by these costs and understands the impact higher electric bill can have on Virgin Islands families, businesses, and organizations.

The goal has always been to drive the cost of power down. However, fuels costs have risen sharply since WAPA submitted its original fourth-quarter LEAC filing in July, creating additional financial pressure that the Authority cannot continue to absorb.

“I know this is hard because we will feel it, too,” said Karl Knight, WAPA CEO and Executive Director. “But we have a responsibility to be honest about what we are facing and make the decisions necessary to keep the system operating and take care of our customers. This is not where we want to be. Our goal remains to drive costs down, strengthen WAPA and build a better system for the Virgin Islands.”

If approved, WAPA estimates that a residential customer using approximately 400 kilowatt-hours per month could see an increase of approximately \$12 per month from the proposed adjustment. Actual customer impacts will vary based on electricity consumption.

The request is subject to review by the PSC. WAPA does not set the LEAC factor; the PSC will determine whether the request is approved, modified or rejected. WAPA will communicate the Commission's official action and any confirmed effective date and terms once available.

What is the LEAC?

The LEAC is the fuel-cost component of the electric bill that reflects changes in the cost of fuel used to generate electricity.

Because fuel prices can change significantly, the LEAC is designed to account for those changes separately from WAPA's base electric rate. When fuel costs rise, the LEAC can increase. When fuel costs fall, the LEAC can decrease.

The mechanism is intended to make changes in fuel costs more transparent rather than requiring WAPA to permanently absorb the difference between fuel costs and available revenues.

The Authority continues to pursue measures intended to reduce the cost of power over the longer term, including improvements to generation, fuel diversification, renewable energy and battery storage, and other infrastructure investments.

Customers can review information about the LEAC request, customer impacts and future updates at www.viwapa.vi.

The Virgin Islands Water and Power Authority Communications Department is committed to reaching, informing and connecting with the youngest members of the community to the eldest through meaningful, transparent and effective communication.

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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.