



Government of the United States Virgin Islands Public Services Commission

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PSC Regular Meeting – June 11, 2024

U.S. VIRGIN ISLANDS – The Virgin Islands Public Services Commission (PSC or Commission) convened its regular meeting on Tuesday, June 11, 2024, to address various energy and telecommunication concerns. Transitioning into executive session, pending and threatened litigation involving the commission and its regulated utilities was discussed, with no resulting actions or motions taken.

The Commission began with a brief discussion of its coordination with VITEMA and a review of the Hurricane/Disaster plans of the entities before the Commission. Many of those entities had not submitted plans before the meeting deadline. The Commission asked staff to ensure the submitted plans are shared with VITEMA, and the missing plans are obtained.

On telecommunications issues, the Commission staff briefly discussed the Legislature's Resolution No. 1911, which directed the PSC to file a formal complaint with the FCC against Liberty and the quality of service it has been providing to its customers. The Commission staff is continuing to work on this matter. Several areas of concern have been identified, including the FCC's approval of the transfer from AT&T to Liberty and the FCC's policy of number portability. Number portability refers to the ability of customers to retain their telephone numbers when changing carriers. The FCC's position is that allowing customers to change carriers can address many customer service issues. However, the limited number of service providers in the Virgin Islands and the fact that many customers have phone numbers other than 340 severely limit their ability to change carriers. Additionally, many Virgin Islanders living on the mainland are also limited in their ability to change if they wish to keep their number. Cell phone numbers have become critical for identification and accessing various services such as banking, email, insurance, and others.

The Commission also heard from Liberty regarding outstanding issues concerning its "migration" and the aftermath. Additional information on the complaints and the resolution of those matters was requested by the Commissioners and promised by Liberty. These matters have been slated for discussion at the PSC's next meeting.

On energy matters, the Virgin Islands Water and Power Authority (WAPA) was scheduled to provide testimony on its current financial status, fuel supply, current generation negotiations, and its emergency preparedness plan. However, there was no representative from the authority present to provide such information.

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Despite the absence of WAPA, PSC staff provided a briefing to the Commissioners on WAPA's new fuel supply contract, the long-standing VITOL Settlement, the pending settlement of the Wartsila dispute on the four Phase II generators and the battery system, the recently selected "turnaround management contractor," and WAPA's cash flow issues.

The Commission continued the energy discussion with the Electric LEAC (ELEAC). The ELEAC is set to expire at the end of this month. After a lengthy conversation about the possibilities of a new LEAC rate, the fact that the current rate does not cover WAPA's anticipated costs, and the failure to secure completion and operation of the four Phase II Wartsilas, and how that affects consumers and WAPA's financial system, Commissioner David Hughes proposed a motion that the ELEAC be extended at its current rate of \$0.2222 per kWh for a three-month period. The motion was unanimously approved.

The Commission heard from BMR Solar, a solar generation plant selling power to WAPA. BMR Solar reported that WAPA had not paid for any of the solar power delivered over more than two years following the reconstruction of those projects post-Irma/Maria, except for a single three-month period, and sought assistance from the Commission. The Commission expressed grave concern that the failure to pay for the solar power, which costs WAPA less than any of the fossil fuel-generated power, jeopardizes not only the BMR projects but also all other renewable projects. The Commissioners also noted that the Commission is responsible for being fair to all who appear before it and that WAPA does not have an exclusive franchise. Commissioner Hughes proposed collaboration between BMR and PSC Staff to explore alternative interconnection solutions to facilitate payment recovery, including direct sales to large customers with WAPA being paid to provide "wheeling" services.

The Commission received status updates on two alternative (or renewable) energy projects set to take place within the territory. AST Cleantech, a proposed waste-to-energy plant on the island of St. John, is expected to be operational by the end of 2025. AST is currently trying to get the necessary Power Purchase Agreements (PPAs) from WAPA and the Waste Management Authority (WMA). AST is proposing a test project on St. John, which will use "plasma" technology to incinerate waste and use the heat to produce electricity. Plasma plants have been in use for many years and are currently in operation in the United States, Germany, the Czech Republic, and Sweden, among others. The novelty of this plant is its small size. Prior Waste-to-Energy proposals were for much larger facilities and would have required all of the Virgin Islands' waste to be shipped to a single location or the use of additional fuels. Since the closure of the Susannaberg landfill on St. John, all of that island's waste has been shipped to St. Thomas. AST has stated that if it can successfully operate this smaller plant for St. John, it is interested in building larger units on St. Thomas and St. Croix. Advance Power, LLC, a wind energy project proposed for St. Thomas and St. Croix, a year after the projects were approved by the Commission and WAPA, has secured lease agreements from Property & Procurement, which have been approved by the Governor. Those leases are now before the Virgin Islands Legislature. Property & Procurement granted Advance Power permission to start accessing the proposed wind power sites to prepare engineering studies.

All Commissioners and Ex-officio Members were in attendance for the meeting.

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