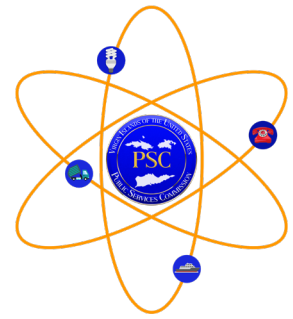




Government of the United States Virgin Islands Public Services Commission

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FOR IMMEDIATE RELEASE

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015-24

PSC Regular Meeting – Tuesday, August 27, 2024

US VIRGIN ISLANDS – The Virgin Islands Public Services Commission (VIPSC) held its regular meeting on Tuesday, August 27, 2024. The Commission addressed a range of significant matters after an executive session to discuss pending litigation. No action was taken during the executive session.

The VIPSC does not rely on the Government of the Virgin Islands' General Fund for its operational expenses. Instead, the Commission is funded through annual assessments of the utilities it regulates. However, the VIPSC is currently facing a critical financial situation due to the non-payment of these assessments by the Virgin Islands Water & Power Authority (WAPA) and the Waste Management Authority (WMA). WAPA is in arrears of \$1,316,314.14 for FY2024, while WMA owes \$1,345,270.14 which has accrued over four years. If these assessments are not paid soon, the VIPSC risks significant operational funding shortfalls.

Ferry Franchise

The St. Thomas/St. John Ferry Franchise was scheduled to appear before the Commission but requested a last-minute continuance, postponing their matters to the next meeting's agenda. The Commission expressed its dismay with the last-minute notice and failure to provide a reasonable explanation.

Telecommunications

The Universal Service Fund (USF), administered by the Federal Communications Commission, aims to ensure universal access to telecommunications services, especially in areas where service provision may not be economically viable for providers. The USF is funded by contributions from telecommunications companies, typically passed on to customers via a surcharge on their bills. Due to a recent decision by the federal Fifth Circuit Court of Appeals, in *Consumer Research v. FCC*, the USF program faces funding risks that could impact its sustainability, allocation, and collection of funds. In 2023 telecommunications companies in the USVI received FY2023 \$14,965,080 through these programs.

Five companies are currently eligible for renewal as Eligible Telecommunications Carriers to receive USF funding a total of \$14,067,870 in FY2025. The Commission is required to act on the recertification of these companies for eligibility at its next meeting. The Commission has received reports provided by its consultants at Vantage Point.

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Additionally, the VIPSC Complaint Team continues to receive complaints from current and former Liberty subscribers, with issues ranging from customer service and billing to number portability, service, and coverage. The PSC Complaint Team is working closely with Liberty staff to resolve these concerns.

Energy and Water Matters

Karl Knight, the Executive Director of WAPA, made his first appearance in that capacity before the Commission to discuss several pressing issues. WAPA's ongoing liquidity problems continue to impede its ability to address critical matters, including hurricane preparedness, progress on pending projects, and providing customers with better service and accurate billing. Director Knight stated, "We are managing our cash flow on a weekly basis. We are triaging and ensuring that we continue to provide the critical functions that we need, but there's little room for anything beyond that." Resolving WAPA's escalating structural deficit is essential for the utility to effectively manage its daily operations.

Other energy matters discussed included:

- BMR Solar: BMR owns and operates the existing solar fields on both St. Croix (Spanish Town) and St. Thomas (Donoe). While BMR has been providing electricity to WAPA, which WAPA resells to its customers, however, WAPA has not paid BMR. BMR is currently owed more than \$2.3 million for energy from St. Croix and \$1.4 million for St. Thomas. BMR has petitioned to directly sell its power to customers near its facilities and pay WAPA a "wheeling fee" for providing delivery over its wires. Due to a late response from WAPA, that hearing is tabled for the next meeting.

- Advance Power, LLC: Advance Power was approved for the sale of 48 MW of wind power capacity on St. Thomas and St. Croix in March 2023. After 13 months, the leases were executed by the Executive branch and forwarded to the Legislature. Wind power can substantially reduce WAPA's reliance on fossil fuels, particularly propane and diesel.

- VI Electron: Has completed most of the construction of its first 10 MW St. Croix solar generation plant at Petronella and is well underway on the construction of the second 10 MW plant at Hogansborg. The company is waiting for WAPA to fulfill its obligations under the Power Purchase Agreement (PPA) so that the project can be interconnected to the grid and begin delivering power to the grid in September. VI Electron also has approved PPAs for two more 10 MW projects on St. Thomas and a 16 MW facility on St. John,

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

For recent news releases, more information on the PSC, and easy access to information on utility issues visit our website at www.psc.vi.gov. Like our Facebook page at www.facebook.com/VIPSC1965.

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