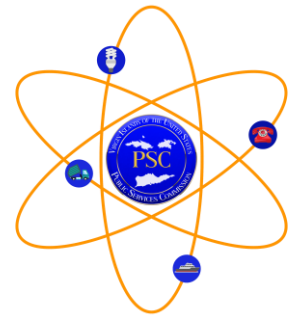




**Government of the United States Virgin Islands  
Public Services Commission**

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**FOR IMMEDIATE RELEASE**

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Tuesday, December 10, 2024

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**PSC Regular Meeting – Tuesday, December 10, 2024**

**Energy Matters**

US VIRGIN ISLANDS – The Virgin Island Public Services Commission (PSC or the Commission) met for its regular meeting on Tuesday, December 10, 2024.

The Virgin Islands Electric Levelized Energy Adjustment Clause (ELEAC) must be filed on a quarterly basis to be reviewed by the Commission, while the Water Electric Levelized Energy Adjustment Clause (WLEAC) must be filed yearly. The Virgin Islands Water & Power Authority (WAPA or the Authority) ELEAC filing was due on October 15, 2024, however, the Commission did not receive the filing until November 21, 2024, and it did not meet the minimum filing requirements set by the Commission. After lengthy discourse between the Commission and WAPA Commissioner David Hughes motioned to accept a portion of the Report submitted by the technical consultants, Georgetown Consulting Group, Inc., with the following changes:

1. The ELEAC rate remains at \$0.2222 per kWh. The Commission recognizes that the estimated current fuel expense in the first quarter of 2025 will be \$0.1742. The Commission further recognizes that WAPA has been running at a deficit for a substantial period of time, and it will have some Deferred Fuel Expense that will need to be amortized. The balance of \$0.048 per kWh will be recognized as amortization of the Deferred Fuel balance.
2. WAPA shall report monthly the status and output of the 4 new Wärtsiläs to the Commission. The initial report shall include the generation cumulatively through December 31, 2024, by month. Starting in February the report shall be produced for the previous month by the 10<sup>th</sup> of the month. WAPA shall immediately declare to the Commission when the new units are declared commercial.
3. WAPA shall provide a status report on its efforts to obtain a new LPG contract required by March 1, 2025. The initial report shall be provided by December 31, 2024, and monthly reports be provided thereafter.

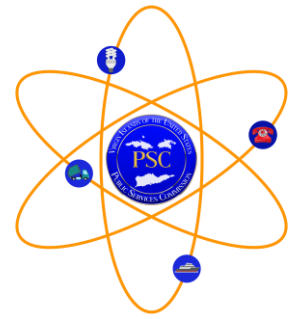
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The initial motion was bifurcated and amended and separated. The amended motion waived the requirement for a 30-day advance notice, allowing the new ELEAC rate to be effective as of January 1, 2025, through March 31, 2025.

The WLEAC is set to expire on December 31, 2024. The Commission did not receive that filing until December 03, 2024, not allowing sufficient time for review, therefore, the Commission unanimously voted to table the matter and maintain the current rate of \$9.53 per KGal (1,000 gallons until the end of February 2025, allowing PSC Staff sufficient time to thoroughly review the filing and provide a recommendation.

WAPA has a Deferred Fuel Balance on its books for \$118 Million as of May 2024, the Commission's staff is concerned that it may reach \$160M by the end of 2024. The Deferred Fuel Balance should contain the fuel and purchased energy expenses that WAPA has incurred and not previously recovered through the LEAC rates. The LEAC is currently a little over half the total cost for WAPA's residential customers and includes the expenses for purchases of diesel and propane, along with associated costs such as shipping charges, as well as energy that WAPA purchases from others such as solar and (in the future) wind generators. In prior appearances before the Commission WAPA has indicated that it intends to seek recovery of the Deferred Fuel Balance to offset WAPA's large Accounts Payable and to restore working capital to WAPA. The Commission had previously ordered an investigation into the amounts claimed in the Deferred Fuel Account. This matter has been tabled for further discussion at the Commission's next scheduled meeting.

On other Energy Matters, the Net Billing (NEB) program was developed after the 2017 hurricanes Irma and Maria, it allows residents and businesses to generate their own electricity using renewable energy sources, such as solar power, and be compensated for the excess energy produced. Jamil Springer, PSC Industrial Engineer, reported on the status of the NEB Program. The program has been stalled, and many customers have been waiting more than two years for approval. The program is in receipt of over 800 applications. Of the 800 applicants, 144 have been identified as systems below the required 10KW solar generation capacity and have all been inspected by the Department of Planning and Natural Resources and have met the necessary requirements of the program. Mr. Springer recommended that WAPA update these customers in the appropriate billing category within 60 days and prioritize processing systems of 10 KW and above. The PSC will continue to monitor the applications still pending to ensure that those applications are processed as well.

WAPA is currently in the process of procuring a new Automated Metering Infrastructure (AMI) System. Proposals for the full replacement of the meters have been received and are currently being evaluated. The process is focused on replacing faulty meters across the territory. Approximately 4,000 customers territory wide are impacted by faulty meters. There are 1,100 new meters on island, 10,000 more are on order to come in quarterly installments of 2,500. These

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new meters do not begin to cover all the meters that need to be replaced in the Territory. The priority of distribution will be based on new customer installations, PSC complaints and customers with non-responding meters that exceed a one-year meter period.

All Commissioners were present at the meeting. Ex-officio members Senator Carla Joseph and Senator Marise James were excused. An Executive Session was held to discuss pending administrative and litigation matters, but no action was taken.

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