

**GOVERNMENT OF THE VIRGIN ISLANDS  
OF THE UNITED STATES**

*Public Services Commission*

**IN RE:**

<b>ORDER OF INQUIRY TO THE</b>	)	
<b>VIRGIN ISLANDS WATER AND</b>	)	
<b>POWER AUTHORITY AND</b>	)	Docket No. 686
<b>THE VIRGIN ISLANDS WASTE</b>	)	
<b>MANAGEMENT AUTHORITY REGARDING</b>	)	Order No. <u>28/2021</u>
<b>THE ADEQUACY OF SERVICES PROVIDED,</b>	)	
<b>COMPLIANCE WITH LAWS AND</b>	)	
<b>ACTIONS TO ADDRESS SAME</b>	)	
_____	)	

**ORDER OF INQUIRY**

**WHEREAS**, in addition to the powers and responsibilities previously assigned to the Public Services Commission by the statutes of the Virgin Islands, the Legislature of the Virgin Islands has enacted recent legislation which has increased the scope of those duties; and

**WHEREAS**, the 33<sup>rd</sup> Legislature enacted the Ratepayers' Bill of Rights (Act No. 8375) which provides in relevant part:

... The Legislature finds and declares that:

(1) The regulated services provided by public utilities are basic necessities that the residents of the Virgin Islands must receive in order to function in modern life, and because residents have very little choice in purchasing these basic necessities, they are held captive to the rates and rate increases of the public utilities.

...

(3) While an increase in utility rates is inevitable, any such rate increases must be made out of absolute necessity, and only after every prudent cost-cutting effort has been made and every other available option has been exhausted while not diminishing the quality of the services provided.

And

**WHEREAS**, the 34<sup>th</sup> Legislature has enacted Act No. 8471, which provides in relevant part:

**WHEREAS**, it is the intent of this act to definitively establish the Virgin Islands Water and Power Authority generally as a public utility and subject to all the normal regulatory authority of the Public Services Commission pursuant to 30 VIC, chapter I, without exception;

**WHEREAS**, it is the intent of the Legislature to definitively establish the Virgin Islands Waste Management Authority generally as a public utility and subject the complete regulatory authority of the Public Services Commission pursuant to title 30 V.I.C. Chapter 1, without exception;

And

**WHEREAS**, the Legislature, in Act No. 7075 (the “Virgin Islands Energy Act”) mandated that the Water and Power Authority meet the following goals:

The peak demanded generating capacity of the Virgin Islands Water and Power Authority must be derived from technologies utilizing renewable energy as defined in section 1101(f) of this title and as follows: 20% by January 1, 2015; 25% by January 1, 2020; and 30% by January 1, 2025; and the percentage thereafter must increase until a majority of the generating capacity of the Virgin Islands Water and Power Authority is derived from renewable or alternative energy technologies.

And

**WHEREAS**, the Commission has authority and responsibility under the Co-Generation and Small Power Production Act (30 V.I.C. § 46 et seq.) to certify qualifying facilities that can produce alternative energy and/or generate power at lower cost than the Water and Power Authority’s avoided costs; and

**WHEREAS**, the Waste Management Authority has not identified a plan for the disposal of waste after the closure of the Anguilla Landfill on St. Croix and the Bovoni Landfill on St. Thomas; and

**WHEREAS**, the Water and Power Authority has suffered multiple extended outages in both the St. Croix and St. Thomas/St. John districts over the past year due to equipment failures; and

**WHEREAS**, the Water and Power Authority has been advised by both its Management Audit and its Integrated Resource Plan (“IRP”) that it needs to replace all of its generation except for the three new Wärtsiläs on St. Thomas; and

**WHEREAS**, the Management Audit identified savings of \$50 million per year that are possible from the replacement of current generation equipment; and

**WHEREAS**, Waste-to-Energy plants are unlikely to be economically advantageous unless the Waste Management Authority and Water and Power Authority work cooperatively; and

**WHEREAS**, the Commission has heard from the Water and Power Authority that it has plans to utilize federal funding available as a result of Hurricanes Irma and Maria, and it has now been four years since those storms; and

**WHEREAS**, the Commission has the authority under Title 30, Sections 20 and 23 to initiate investigations and to examine the services and operations of the utilities within its jurisdiction, and determine whether and “extensions, expansions, or increases in facilities or service ... are in the furtherance of the public convenience and necessity, and the terms and conditions upon which the same shall be made...”

**NOW THEREFORE**, the Commission finds and **ORDERS** that:

1. The Water and Power Authority and the Waste Management Authority are to appear before the Commission at its November 2021 meeting prepared to address the following topics:
  - a. WAPA’s implementation of enhanced solar power, including storage capacity, for St. Croix;
  - b. In order to address deficits in reliable and affordable base load generation on an interim and long-term basis on St. Croix, discuss purchased power from Limetree Bay Terminals (and affiliates);
  - c. To address those same base load generation deficits, explore expansion and restructuring of current Aggreko Emergency generation agreements; and
  - d. Implementation of a waste-to-energy program, and status report on the pending negotiations with Deepwater Producers, Inc., who currently hold “qualifying facility” status.

*So Ordered.*

For the Commission,



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David W. Hughes, Chair

Date: **September 29, 2021**