



THE VIRGIN ISLANDS WATER & POWER AUTHORITY CORPORATE COMMUNICATIONS NEWS RELEASE

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WAPA Board Approves Several Initiatives and Receives Report from WAPA CEO

U.S. VIRGIN ISLANDS (March 28, 2025) – The Virgin Islands Water and Power Authority (“WAPA” or the “Authority”) Governing Board has approved several critical initiatives aimed at reinforcing infrastructure resilience, promoting environmental sustainability, and securing cost-effective energy solutions for the community yesterday.

One of the approvals includes the extension of Contract SC-38-19 until October 8, 2025, at no additional cost. This contract facilitates the proper disposal of waste materials such as poles, wires, and insulators in compliance with Environmental Protection Agency (EPA) regulations. By advancing this initiative, WAPA is reinforcing its dedication to environmental stewardship by preventing pollution in coastal and marine ecosystems, reducing hazardous runoff, and ensuring safer communities by eliminating fire hazards and pest breeding grounds. The installation of composite poles across the territory further strengthens the electrical grid, making it more resistant to hurricanes and natural disasters, ultimately reducing outages and expediting recovery efforts.

In another key decision, the Board unanimously approved an amendment to Contract SC-05-23 with West Peak Energy, LLC, in the amount of \$367,050. This amendment extends the contract to May 31, 2025, and ensures continued technical support for critical infrastructure projects. These efforts include overseeing the repairs and restart of the four Wärtsilä units experiencing fuel injector and cooling system issues and providing root cause analysis to enhance future reliability of the Phase II Wartsila. These measures are expected to significantly improve operational efficiency and mitigate risks.

To maintain a cost-effective fuel supply, the Board ratified a six-month extension of agreement MISC-17-24 with Vitol for propane procurement through August 31, 2025. Liquefied Propane Gas (LPG) remains WAPA’s most economical fuel source, significantly reducing costs compared to diesel, which is nearly twice as expensive. The extension allows WAPA to finalize its Request for Proposals (RFP) for a new long-term propane supply contract, ensuring financial responsibility and operational stability. “Securing the best possible terms for fuel procurement is critical to bringing down the cost of generating power and normalizing reliable power for our customers,” said Karl Knight, CEO and Executive Director, Virgin Islands Water and Power Authority. “This extension allows WAPA to explore the most sustainable and cost-efficient fuel options available to us in the Caribbean moving forward.”

These Board approvals align with WAPA’s broader transformation efforts, as outlined by CEO Knight in his recent report to the Board. He highlighted ongoing discussions with the 36th Legislature about legislative actions that can support WAPA’s financial and operational improvements. “We are seeing real progress

in our efforts to strengthen WAPA,” Knight stated. “From leadership development to infrastructure investments, we are making the changes necessary to create a more efficient, customer-focused, and financially stable utility.”

The Board also recognized recent organizational changes aimed at improving customer service and operational effectiveness, including key leadership appointments and a renewed focus on strengthening WAPA’s workforce. Efforts to fill critical vacancies remain a priority, with strategies being explored to attract and retain talent in a competitive job market.

“These initiatives are investments in our community’s future,” CEO Knight added. “By reinforcing our grid today, improving our generation assets, and securing affordable fuel options in the next six months, we are safeguarding that our customers receive the reliable and cost-effective service they deserve.” The Authority remains focused on delivering sustainable energy solutions that benefit customers, protect natural resources, and strengthen the territory’s resilience against future challenges.

During the Executive Session, the WAPA Governing Board discussed personnel and legal matters. No action was taken.

The Virgin Islands Water and Power Authority Communication’s 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.