BILL NO. 35-0085

Thirty-Fifth Legislature of the Virgin Islands

May 31, 2023

An Act requiring the Virgin Islands Water and Power Authority to conduct, or cause to be conducted, a study to determine the feasibility of using hydroelectric (water) power in the territory

PROPOSED BY: Senators Alma Francis Heyliger and Angel L. Bolques, Jr.

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. The Governing Board of the Virgin Islands Water and Power Authority ("WAPA") shall conduct a study of the feasibility utilizing hydroelectric power resources and to prepare a plan based upon the findings of such study aimed at producing low-cost electricity for the Territory of the Virgin Islands.

SECTION 2. The feasibility study must, at a minimum, include an analysis of:

(a) the physical potential for hydroelectric development, giving consideration to the economic, social, environmental and institutional factors which will affect the realization of that potential;

(b) the magnitude and territorial distribution of the need for hydroelectric power;

(c) the integration of hydroelectric power generation with generation from other types of generating facilities;

(d) measures necessary to assure that generation from hydroelectric projects will efficiently contribute to meeting the territorial electric energy demands;

(e) the timing of hydroelectric development to properly coincide with changes in the demand for electric energy;

(f) measures deemed necessary or desirable to insure that the potential contribution of hydroelectric resources to the overall electric energy supply are realized to the maximum extent possible;

(g) the availability of a suitable building or government real property and a description of improvements required;

(h) the availability of experienced or trained workers to maintain the hydroelectric power generation operation;

(i) A financial analysis that includes information on:

(A) Startup costs and working capital;

(B) Fixed and variable production costs;

(C) Labor costs and availability, including the hiring of a director, assistant director, managers, supervisors and recommended salaries;

(D) The availability and costs of services, such as water, power, shipping, and waste management;

(E) A projection of the financial contribution of the proposed hydroelectric power plant to the economic development of the Territory from the jobs and taxes obtained from the industry;

(F) The expected return on Government investment which the hydroelectric power plant is anticipated to produce; and

(G) A list of interested business entities contacted, if any, for consideration as potential participants in a partnership or joint venture with the Government in the proposed hydroelectric power plant; and

(j) any other pertinent factors necessary to evaluate the development and operation of hydroelectric projects.

SECTION 3. The study must be commenced no later than 180 days of the enactment of this act, with a full report to the Governor and the Legislature within 30 days after its completion.

SECTION 4. There is appropriated from the General Fund in the fiscal year ending September 30, 2023, the sum of up to $250,000 to WAPA to implement the provisions of Section 1. Such sum shall remain available until expended.

SECTION 5. The Governing Board of WAPA must submit financial statements in accordance with title 2, Virgin Islands Code, section 29 regarding the use of the funds appropriated.

<u>**BILL SUMMARY**</u>

Section 1 authorizes and directs WAPA to conduct a feasibility study of the most efficient methods of utilizing hydroelectric power resources. Section 2 lists the information that is required to be included in the feasibility study. Section 3 directs the timing for commencement of the feasibility study and subsequent reporting of findings to the Governor and the Legislature. Section 4 appropriates up to $250,000 to conduct the study mandated in Section 1. Section 5 mandates that WAPA must submit financial statements in accordance with title 2, Virgin Islands Code, section 29.

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