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Public Services Commission (PSC)

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0:00:00 So now we're going to continue our agenda item number two, telecommunication matters dr five five six he speaks for that matter should we like to recognize the presence of ex-official senator carla joza I was wondering who spoke up when you called as well anybody else was told because they told his first name actually miss pitt is here sorry city may as well come right on Thank you. Good morning, Ms. Burt, will you please read, you have to be sworn. do you swear to that the information that you will be testifying on today will be the truth I do thank you please say to your name for the record

0:02:45 and this is your address we need you to always say your name speak loudly because it's been recorded thank you uh you may proceed um will these state your name will speak up to me jeraldine pitt uh today i think the testimony is about uh call center performance and the statistics that was submitted on january 23rd i also got somewhere along the line that the conversation will be revised restructuring so i like some guidance from the the PSE on the expectation for today, please.

0:03:42 Sorry, Sveta? Yes. I'm sorry, I couldn't hear what the question was. So, PSE stats in terms of the service level, but I was also told that part of the expectation would be a conversation on the buyer's restructuring, so I wanted some guidance from the PSE, please. i void sprain speaking um the the excuse me we've had customer service standards that have been adopted and approved and i don't think there's anything particularly puzzling about that we were looking for an update on on the issues that are happening with customer service i know that our own office had an issue recently and we once we reached certain people we got it resolved very quickly but it took some time to get to the right people uh so we have some questions regarding customer service and the other one is i think a much more general sort of rumor mill addressing question about um is via continuing to be via and what is going forward with the the company's plans if any that you can disclose to us about whether the company is being sold re-organized etc thank you uh generally yeah i really can't hear you speak up a little geraldine pitt thank you ceo for via uh thank you for the clarity in terms of the service level i think you would have before you stats are provided for jan october november and december uh clearly those stats would not in line with psc 80 service level and i'll get to why shortly uh what i could

- 0:05:30 also say is that from january and february we are way above the expectations and there is no reason to think that's anomaly in any way but in terms of a reflection of the direction that the business is going in and the changes that we've made uh to accommodate the taking of our customers and by extension of service level the service level in question is really a measurement of the number of calls of the answer 80 seconds um after 20 seconds sorry and the 80 percent in fact when we look at it most of the calls would have been answered during that period uh they may have been answered later than the 22nd uh but customers in terms of the calls was answered by customers would have had a few percentage abandonment in fact our abandonment rate for november december for october november december was four percent nine percent ten percent and in january and february are now at one percent and the question is why and there are so many things that affect the service level of the business it has to do with uh outages in a number of instances scheduling and rescheduling our ability to meet customers demands from time to time depends on a number of factors whether it's things that we need to get fixed on a given given day what i can say to the psc though is to give psc and the listening public the assurance that that is not customer for via and we are heading definitely heading in a different direction we have done quite a number of initiatives that allow us to be where we are the last year for us was very much of a transition year in terms of uh providing service to our customers while we've had the call center is now located in in guyana as it's known i've said that to the psc and the legislature a number of times
- 0:07:29 the decision to do that was really based on how do we leverage technology uh to be able as a group as a wider regional team to be able to invest in the technology we need to be able to get customers issues resolved quickly to do the training that we need to do the software and everything else that you need to be able to answer customers queries quickly and efficiently of course there's always going to be a learning curve i understand that most of our teams would have been stronger answering some of those calls that's the fact of experience experience comes with time um you know i've always looked at experience through the eyes of my kids who when you just start off doing anything no one wants to hire you because at the end of the day you don't have the experience but generally experience has gotten on the task by doing it over and over again and therefore that comes with time the quality of the if you look at what our customers are seeing about the rep satisfaction how does the rep treat them how do they articulate the issues to them uh we've seen um from october we were 73 percent we are now at 34 percent so generally it's consistent because i've always said in running a call center it's a big part of the human factor and by the human factor i mean some people no matter where you are where you're doing business in the world there are always going to be issues that from a human point of view that comes into play and it does not matter where that is happening what i would say for though is our commitment is to ensure that no matter where our calls are being dealt with that we have control over the quality of the calls by listening to the calls and making fixes and the fixes that we make is not just about the call itself but asking ourselves which customers who else will be affected by whatever
- 0:09:29 we've learned through the call so listening sessions calibration quality assurance all of those things are a big factor in big factors in the way we deal with a customer query as it relates to the organization itself which it's a big part of the conversation and the outsourcing of the call center we've had to make decisions along the continuum of reshaping the business in its entirety it's not just about the call center itself is every aspect of the business we have to be able as a business to share costs where we think the cost of the business is no longer those costs are no longer relevant but at the same time being able to free up capital to invest in people to invest in infrastructure that we need to do on technology the changes that it brings um if the changes happen very quickly our customers demand from us quick action is you know they want to be served where they want to be served so a lot of investment is going into the infrastructure into ai capabilities to be able to give customers the ability to sit at home and whether it's to pay your bill to call you back um and so there are a lot of changes that we have that's happening for us one of the big things that give customers some dissatisfaction and create a call as an inability to give very quick information about outages of any kind. Normally we'll have to go through a process of sending customers a notification after we've figured out basically how which areas are affected. That's a big part of what we're investing in moving forward is that proactive communication to customers based on where your area may be affected why it's affected and when you're expecting it to come back on stream so a big part of what we're going to be doing is a lot of correct
- 0:11:21 communication to customers in terms of voltages we also realigning the business uh to when when a tech comes when we've asked a customer to stay at home on any given day for a tech to come to their house the tech the way we are currently structured the technology the technician will come to your house but may not be able to fix all of your issues because there are different segments or departments that takes care of different parts along the continuum from the customer home working all the way back to our central office one of the things that we're doing here is unifying that and collapsing that into a role that basically when you go to a customer's home after they've given up their time of the day you have a better shot an improved shot of fixing the issues then and there because you could now do more um when in a restricted environment that makes it into almost a universal technology kind of thing so those are some of the big changes

we spoke about in terms of regionalization economy of scale i think we've heard a lot of that in the legislation not long ago at the end of the day for fire itself on its own it's very difficult to leverage the scale of our business to do investment in technology investment in having the right people uh from a network point of view from a solutions point of view that becomes very difficult when you're a small organization as we are that's one of the biggest change that's happening in the business um moving forward that started about a year or two ago is that regionalization where we are now able to pull the manpower and the resources to give us better buying power to give us more leverage with for example our technology providers and also to allow us to attract the bright minds to be able to assist each of the markets in getting

0:13:19 technology in place but also to be able to do knowledge sharing as well so that's a big part of the change are we making the question therefore becomes is via going out of business the question is absolutely not what we are now we strongly we have been before and that's even in the face of losing what 10 million dollars a year from fcc funding we have had to restructure to remain relevant and i think more importantly is to grow the business in the future to catch up with technology we are really behind the eight ball as a business part of it is a setback we would have had in 2017 uh with the hurricanes and what that meant for us that we need to get a network up we need to get it back up quickly did we make all of the right decisions then probably we didn't um but at the end of the day what we're looking at is saying to ourselves what do we need to invest in to remain relevant to continue to provide the people of the virgin islands with the support that they need in terms of keeping them connected to the rest of the world we need to do a lot more investment and part of the initiative for us is freeing up capital to do that i think from a private sector point of view we know that borrowing and capital is it's very expensive increasingly so and as a business we have to be able to generate some of that capital ourselves but we're never going to do it at the expense of compromising our customer experience customer experience for us is what will build this business we will not be able to keep competing on price that's easy to follow devices that's easy to do the differentiator for us would have to be customer experience so even as we make those difficult decisions it is always keeping the customer in focus it's always about developing the skill set of our team it's always about keeping our network connected and those are the things i think that you will see reflected in the business so we are in a transition phase that transition itself i would say it's almost over at some point in the very near future we'll be back to pse to have a conversation uh with pse about the direction are

0:15:32 we going um and what i would say about that is it's sooner rather than later but the conversation at this stage it's not much more i can disclose yes we are reshaping the organization but we are here to support community or community partnerships and relationships that never changed um we may we may play with that a little bit in the sense that i don't necessarily believe that as an organization we should focus our resources in terms of sponsorship on the same organization every year if you choose to make that decision then some organizations will never benefit from a limited resource pool that's in virgin islands so we have made decisions around that but our commitment to community as you've seen i mean when we had the acp program via went to every single housing unit in the hub sun under tents and make sure we get the over 3 000 customers to be able to benefit from the acp program nobody else was able to do the same and that's those things are proud moments for us in the sense that it shows and can continue to show a commitment to the community whether it's the culture or whether it's the community so that's the extent of the reshaping that we're doing i think more importantly we as we look at the kpis around the day around performance we see a mac improvement in terms of what days they install in terms of our time to repair or services, and that's across the board.

0:17:05 So I think I'm very much confident in the direction that Vi is heading. Thank you. Questions by the Commission? Commissioner Sands? Hi. Thank you very much, Ms. Pitt. This is Commissioner Laura Nichols-Sands. One of the things that I noticed is you guys are losing a lot of clients to, like, satellite um internet and systems like that to the point where they even have a wait list for starlink at uh was it cost you less and um home depot so that's a lot of customers that you guys are losing um are you guys looking towards the future of maybe uh putting satellite uh internet with your service so that you remain relevant uh yes it's something that we've paying attention to we already did that in one of our markets um and that really was to reach more of the remote areas but certainly as we look towards the future the future of technologies is hardly based on just fixed technology but it is still the best method of carrying internet and getting speed to your house it's still going to be the best method and when we look at other options we look at it from the point of view of a barrier to entry we look at it from the point of view of we come to a customer could come to uh to buy them and they don't we don't charge them an installation fee so you can have your service in two or three days that for us is the people that we serve there will always be i guess uh customers who have a different desire um who have deeper pockets probably but i think for us the the fact that we remain relevant to most of the customers in virgin islands is because we also contribute towards community towards the economy the virgin islands in a different way than most and but yes we always are going to be open to options that gives us the best communication technology for our customers thank you um this is commissioner laura nichols sams again is uh looking at satellite uh service and part of your restructuring and if so what

- 0:19:19 time frame are we looking at it's not in the immediate part of our restructuring you say not in the media can you give me an idea of what we're talking about time wise because i do see you guys losing a lot of customers to starlink and i think there's another uh company that provides it on st john i'm just curious are you going to be able to recoup those those customer bases it's a difficult question to give you a timeline when it's not on my 2025 plan it's a very difficult so we're thinking 2026 maybe yes it depends on and how we see that shaping up in some of the other markets that we have we have already started using satellite as an option as I said we've done it for a lot more remote areas where there's no fiber in the ground for example in our case we fairly good distribution of fiber and we still believe it's a best technology to provide service to but a mix is always going to be whether it's a backup and giving you an option um yes we will definitely consider that but we are considering thank you this is commissioner lord nichols sams again you said that you provided in remote areas can you give us an idea can you tell us those areas that you do provide it in not in the virgin islands right i understand it's not guys now we've done it extensively in guyana because of the is a vast country a lot of the infrastructure is not deep and well developed and so that's becomes the most costly so we do have a partnership there with a satellite company that takes it in guyana how do those this is commissioner laura nichols sams again how do those rates compare to like starlink that you have in guyana how do those rates uh compare to starlink and other companies because that's going to be a big factor if you do provide it in the virgin islands because if starlink is going to
- 0:21:07 be less expensive people are going to continue to use that service and i would imagine so i would imagine people would make the economic decision in their in their interest i can't give you the rates and i would imagine that even if i could tell you what the rates are it's probably not going to be as relevant to the virgin islands because price is a factor of the competitive environment so it really would have to be about what we're dealing with in our own markets we can't necessarily replicate that the the methodology of pricing it will have to be how what does a market allow us to do based on the competitive environment thank you very much thank you ramon williams i guess my uh my first question is more sorts of stuff and i thank you for the report that you presented um i believe in getting a lot of calls for quality of service issues with ryan um tishan hendrix in turn i wouldn't say a lot but there are some specifically um when the call is made the loops that you have to go to to actually get to someone to assist you further and sometimes there are um like a language barrier where they're unable to clearly communicate or understand what's being said on the other line those are some of the um complaints that we have encountered thus far very recently as well i think staff had a um actual first-hand experience i'm not sure if Ms. Gumbs is able to explain what we encountered here because she was the one that actually attempted to seek assistance and we were not successful and we had to get um other parties involved to actually get our problem executed but um yes there are some calls that we've received regarding the long loops that you have to go through to get service or to seek assistance
- 0:23:13 Thank you. And one of the reasons I asked that question is because I've had personal experience calling when there was an outage with my cable or internet, and I've had a good experience. The language barrier, yeah, for sure. Because, you know, I had to ask a person to repeat themselves several times because I couldn't understand what they were saying, but um you know for all experience that i got my problem was resolved um that's what one of my my considerations all the time is about the seniors in our community primarily because adopting the technology for them and i don't want the population um variances are in terms of who are what percentage of our seniors versus young people like me um that utilize who call in for service and um the convention between um fixing the issue telephonically versus having to call in one of your um your field personnel to resolve an issue what has that experience been like so the language barrier an accent barrier um i think the call center point if he's almost commonplace in the sense of call centers are hardly ever done what should i say in the same building or with the same accent as the rest of your team right I think the accent is stronger for some people. I think we all have accents. It goes on both ways. So understanding is about patience, is about declaring, and how they respond to your declaration of the fact that you can't understand them is where I take the learning from.
- 0:25:28 because an intelligent person will slow down, be in them seeing their words differently, and get to a point of understanding. If that becomes a barrier, then I have a problem with a particular agent. And when a customer, if a customer reports an issue like that, one of the things I do very frequently is listen to calls. Everyone, including the one from KSE, I listen to the entire call, to understand what went wrong, because it provides learning for others. But whenever it's an if it's an issue for example of the reps in patients or any of those kinds of stuff that is dealt with swiftly because i'm a client to this call center i am like everybody else and i will demand i have demanded that that person is no longer on on my program i'm not going to make a decision about your employment that is not it's in my remit but if a customer is complaining about an agent we have the authority to say that agent can't be speaking to customers anyway lucky for me i've had to do that only once when i listen to the calls we what we have is an ivr tree that's set up fairly similar to the way it always was the ivr itself have not changed uh we've made it easier for you to go to business or go to residential so split it on the top uh but it's kind of the the loops of it is to allow us to better able to have the right reps on the right call so that's one of the reasons you have some of the loops in there so you can have the skill set position to

answer the right calls um and it also allows us to track and change for example in reporting those numbers we have to get a sense of the customers who call on what they call for and that's why after that triaging sometimes i know it's frustrating i'm listening to ivrs myself and generally ivrs could frustrate even the best of us uh but i think our commitment

0:27:23 is to ensure that the issues that we have that our customers have is resolved and to use every call as a learning experience to prevent it from having to another call and that's a commitment with respect to our seniors is the reason i think still think we have pressures in the school is the reason that we still have a store we understand that and we recognize one of the things that we are doing is upskilling our front end team better so that we can now move the next year rather than to another conversation with someone else but to move that directly to a truck roll because when we ask ourselves how many customers that we've had a second year troubleshooting call with and how many of those led to a truck roll what we find is majorly eighty percent ninety percent and goes into a truck roll so the question is why not just send it to a truck roll so that's some of the things that we are also doing in terms of a big initiative for us we also have um i've asked the team to listen to the calls and have a special pilot program that's happening now to understand the instances where what can we pick up in terms of intelligently about the customer who calls who you've asked to let's say reboot your box let's just say and they call back because they were not able to do so what it is that we could discern from that conversation that says this is a customer that we should never have asked to do that but rather it's a customer that we need to send someone to so those learnings for us is important a lot of it comes from listening to the call it's a constant improvement we have a number of streams along the way that is fixing the customer journey all the way from the tech going to your home we are now moving to the customers being able to schedule their own shop right now we've changed so that the tech can send directly to the customer that i'm running late would you want to reschedule the customer can say yes or no all of that investment in technology is better done in a wider call center environment where we can leverage the the investment that you need to do to serve a wider audience rather than just ourselves so i think we are the right part um and i know that the changes that we've had to make can be unsettling to the team

0:29:39 is you know it's a reason i always take the opportunity whenever i get the opportunity like this to be able to say thank you to the employees past and present because it along the whole continuum everyone shoots where they are today right but we are also transitioning the business into continued customer centricity and investment in technology it's moving really quickly and we need to catch it we are generally always behind thank you this is commissioner views uh thank you for the report i have no questions about this senator joseph thank you so kindly a pleasant good day to everyone um i do have some questions and Senator Carla Joseph, thank you, I do have some questions and you talked about restructuring first of all, so I know typically with restructuring you are looking at personnel assessing need here in the Virgin Islands for certain type of personnel here.

0:30:45 while you're restructuring and the services that you're going to offer how many uh persons i don't know if you have that number uh based on your current restructuring placed um on leave or what are no longer with the company so our restructuring plan has been six-year plan um last year we built 15 or 20 persons uh who was left in the company and those 15 and 20 persons they were here in the virgin island yes 15 and 20. um i i would like to see through the chair a full number of how many persons because i'm looking at it as a So those persons would be paying income taxes, and if they are no longer here, and they probably own homes, they may have had to do well. every time we look at restructuring or any company is working here we look at the full picture of that human being and all the services that they provided with taxes and the like and their families and also i i wanted to get from you um how many persons do you see for this year who you may have to uh place on furlough or terminate or or what have you or who may elect to voluntarily resign base and are you offering any type of severance or incentives for your employees because um that that is a factor as well uh so couple things sevens not the point of servants

0:32:52 as you as you mentioned i as when we look at restructuring i don't think in my time anybody would have left the company without three to six or more months of sevens including health care including all the company services there would be apparently no one because i understand you know i think as an organization we understand that you need to give some of the transition pace to find themselves as you say they have mortgages they have kids they have families that they need to take care of and so we've always made it a point of ensuring that they get that there's a transition phase of payment that they have at hand and inclusive of health and that's i think is where some of the fears come into play and a lack of understanding publicly about that sometimes i think treated even more fears and anxiety so it has been very important to me during that period that people are able to take care of their health they also can be having counseling and choose to and they can take care of their health and they will have three to six months in public places maybe more of salary full salary to transition them into the next phase because i i look at it and i say we have we've had excellent objects there is always sometimes people don't make their own decisions sometimes you get to a place of redundancy because of low performance management there's a lot of factors that go into where we are but as an organization we've been very heavy and i think part of it is is a punctuation that happened with the hurricanes where it just didn't happen you know

some of those things decisions i think could have been earlier decisions but hurricane and the independent we've had those kinds of factors but the organization has so fundamentally changed i mean before they my understanding is 30 to 40 000 households or businesses that had telephone you know

0:34:58 so we have fundamentally yeah after the hurricane people didn't want uh land i just didn't take one people who didn't feel the tv was necessity because streaming became so prevalent and known for even the elderly in after the hurricanes they just never took television so fundamentally you will see us having a lot of conversation about mobile because mobility not just mobile telephone is really the future of telecommunications okay right okay uh thank you so much for your response i i do have more questions mr chairman if i can i'm taking a vice chairman hughes times i see my time so i i wanted to also um ask you when you outsource those positions to guyana that is our um our money here that's generated here from your services how does that pay back into our community because as i mentioned we are losing a tax base when your employees are furlough or they leave or what have you or they're terminated or they so how because that's our that's our people that's our money and by telco based on my understanding started as a public utility my am i right because i'm probably looking for my time it was a public when it was by telco it was a publicly owned utility right no it was never voice pressure by the government no no no no it was originally at least as of 1963 was owned by it and t okay it and t subsequently sold it to atn atn subsequently split into two companies and became part of the innovative communications group

0:36:58 through a bankruptcy of innovations communications it was sold to cfc cfc subsequently sold it to a different atn than the original one okay so that's all before i was even born it's been a private entity for a long time okay so it's been a private energy so i'm going back to that question uh relative to um whether you know how how does it look how how much are we paying this company are you able to say how much this company this who is now you have outsourced to guyana for customer service how much are they have been paid compared to having and i'm sure you've done a cost analysis we have but i'm not able to disclose that okay but again um i value the work that vya does in our community because you do sponsor the final question i have is relative to your service and this is for your cable and your television service do you have to provide a certain amount of channels for public access without being a customer like any regulations like maybe the government owned of government channels or even channel two i had some i had constituents who are used utilizing their um their antennas and they have complained that they they normally would get um a constituent that they would normally get your your channels the the government-owned channel um very well but it seems as though the frequency of whatever have you

0:38:52 is lower you want to add something into it boyd's brain sorry giving my part to make the transcript clear the government broadcast is a government broadcast carrying it on the cable services is something that was required of the cable companies through chapter eight and some other provisions of vehicle but via or by telco does not having to do with the antenna reception that customers receive okay so i'm glad that you cleared that out so i have to make sure i tell that constituent because everyone for whatever reason they have you know different uh perspective and their knowledge base but so i'm glad but again um i'm really interested in seeing the the long picture of how many persons have are no longer with via based on your restructuring that you mentioned that started six years ago it's a long time i thank you so much for your answers i appreciate it thank you it's a bit of a if i understand if i understood your testimony i believe you made reference to 80 customer satisfaction standard is that correct no no it's it is a service level that says how many of our calls have we answered in 20 seconds so So 80% of the calls are answered in 20 seconds. That's where 80% of the communication is.

0:40:26 Not all the calls we've dealt with. So some of the calls will be answered, but they will be answered after 20 seconds. So we'll still answer the calls, but they will offer after 20 seconds. We said the standard is X. And I believe you said that you haven't really been measuring up to that maybe in January or February you did, but prior to that, you had not been meeting that. Yes, and there's a number of factors for this, yes. Good. And what steps are you taking to improve that? So you've taken a lot of steps to improve it. And I think, as I said, you can see it's reflected in the January and February, March month to date. It's in a similar line.

0:41:03 It is about giving customers self-care options, to be honest with you. What kind of options? Self-care or self-service options. So a customer would normally have called in, and more customers would call in to say, what is my bill balance? we have for example implemented whatsapp billing so you can get your bills by whatsapp you can get it by text you can get it by email so we've given customers option to do that before we also did not have the balance on the ivr you'll send you in to pay by listing dialing a number and you can go in to pay but it didn't tell you your balance so if you didn't have your bill with you you would not know your balance we have fixed that as well so less customers are calling for that and of course call volume is really a factor as well of what's happening especially with electricity and outages we spend millions in terms of making sure that we have power in a number of places but you know battery life all of the technical

things that happens in an unstable power environment sometimes get your call volume peaked higher than normal and in those instances you really can't respond get that phone in 20 seconds and that's the reason for us get one of the big initiatives this year is about proactive communication as a customer by noticing which node are you attached to which area you attach to and be able to send you notification that we've noticed that that area is down give us next time and we'll keep your update so that's how to some of those initiatives is really how we're taking the call volume down and with the call volume being down you're able to answer quite uh customers call when they call in all right thank you again if i understood your testimony is the practice that if a customer has an issue they call in and they have to wait at home for

0:42:51 a tech to respond on a given day to to come to their home to service the request if i understand your question well if a tech has to come to your house we will ask you to be there between a certain time now the gap of that time currently is wider than we would like it to be that's another improvement point that we're making what is it currently it is afternoon or morning and sometimes you do it two hours depends on we give you two hours uh to be home but i think what's what's crucial with that even when we tell you afternoon the technology that we're using now would allow us to say a tech is on the way we're trying to get our tech to make sure they send that in half at least half an hour before they get there right because if you're at work generally most places you can zip home in 30 minutes the tech also has the ability to say that i'm running late and give the customer the choice of being able to reschedule so yes we generally need the customer to be at home but you know that improvement that allows the customer not to waste the entire afternoon or the entire morning and we take seriously the issue of techs not turning up to understand why um but i think increasingly we are doing much better at it i think our techs are fabulous so they do get to the customer and they're using the tools available to them to be able to inform the customer if you're running late um do you want to reschedule um and give the customer that kind of choice and that exactly is my concern and you read my notes because i was wondering why can't protect call me and say i'm going to be there within 30 minutes so that i don't have to stay at home all afternoon in the morning um you know you could get to every place and say thomas within 30 minutes uh for hourly employees you know we don't want to waste in a whole day and not getting paid because they're sitting at home waiting for a check to show up i mean that's certainly unreasonable but i mean we need to make efforts to make sure that we can do that within a 30 minutes of time frame so that you know a lot more efficient all right two questions as it relates to the residents of st john we have some inquiries regarding the store hours can you please indicate specifically what dates and what hours are available to the residents of st john to cover um any business that they may need to conduct in person right

0:45:18 and john the store we started opening the store from from eight to six uh traffic though became a lot slower in the late afternoon so the store is supposed to be from nine to four in the afternoon or five at times saturday is like half day yeah and we have a problem and is it monday through friday but we do have a problem sometimes when you have a small enterprise some people in terms of turning up and what time you turn up and the boat was late or something else happened and and that happens and we haven't found a better way of notifying customers the thing is we have a team on st john and we probably find ourselves having to utilize them some more to post the notices but it really is a communication issue and and for that for the people of st john we sincerely apologize that sometimes it's a lot more erratic than we would like it to be okay so just for clarification monday through friday if everything works the way that it should from 9 00 a.m to 4 p.m do you know when this schedule was implemented uh it was as i said we originally started to be five day when the store comes over on the boat so so this was like in 2025 2020 war when we left from top to down okay because the the concerns were um i would say maybe like last year so i'm wondering if this has been put in place since we because we were told that the um operation was not a monday through friday operation was it like a tuesday thursdays that was before okay so we tried to stabilize that except we have every now and then the young lady who's running that school would say i'm running late or sometimes give us too late a notice to inform customers but we made

0:47:08 that change when we came down so we can have a monday to at least full week operation and bring it closer to to town and then you mentioned saturday so saturday is included within the schedule yes okay happy okay and then the second um question we established that the um call center has been outsourced and there's so there are some loops that you have to go through so that you can get directed to where you need to go in the event that the call is dropped is there a mechanism in place so that that customer can be called back or do they have to re-initiate the call and go through the looping process again technically they should be able to call you back if they've already been able to get to the point of identifying that you called if that is an issue it's an issue will take away and raise raise for the call center but they should be able to call you back and one of the things that we implemented as well is that when we ask you to do to do your reset of your modem we are now putting in place a program that calls you back between the next period of time so some customers may say when i get one after five i'll do it i just remember so i call it now we want to put in a call back process to say what did you get through the steps that we walk you through to get done so that's also part of the phase that's coming as well thank you thank you for your testimony i have one one final question mr chairman uh miss pitts i want i want to ask you uh with landline because i don't know i've been getting some calls i just got a text with it indicating that

sometimes customers are calling businesses that still subscribe to to via and they can't get through how does that happen there is it's just ringing with there's nobody answering and then the calls are not getting to where they want to to go to

0:49:03 how does that happen difficult one to answer without an example so if you invite me okay maybe at the end well yesterday i got a call um somebody reached out to me via my phone my personal phone indicating they were trying to reach this government entity and it was just no answer turned out that there was a an issue with the landline uh with the calls getting through to the one line it just was ringing busy or it dropped provide services to government entities still a number of them once a line is still a relevant line or it's a lot you will you provide services here to the psc to all government entities all branches of the government most most most okay so uh that that was the situation uh do you provide services to the legislature yes okay so it was at the legislature and we were having some persons calling and our lines were down yesterday um i don't know if it because the person was not on island and they were not uh using um a landline themselves they were using a cell phone but we have experienced that a number of times this isn't the first time that i've gotten a call or even some of my colleagues that persons are trying to get to our offices and there is um the staff is there and we are there sitting down and we don't even hear the calling so i can have somebody my team well if you if you can

0:50:52 and also i'll speak to you off the record regarding another matter maybe you could also look into it so it could be expedited on our end all right thank you so much mr chairman for the where christianity welcome thank you mr for your testimony and your excuse of this time next item on the agenda of waste management matters or if i'm not rushing you you can stay and enjoy the rest of good morning chairman this is boyd sprain on behalf of the public services commission staff we have previously indicated that we are starting required the virgin islands law to conduct rate investigations of public utilities subject to our regulation at least once every five years a rate investigation rate investigations by virgin islands law include questions not simply of rates but whether there should be expansions of service in service areas facilities equipment retirement rehabilitation and equipment is a comprehensive review in this case the virgin islands waste management authority has only a very small number of fees which we are aware of and have previously approved a wastewater user fee that's collected with property taxes um tipping fees septage fees are there's a small number of fees that we've approved we're aware that there are a few others that we haven't but we need to take a comprehensive look waste management authority was added to the jurisdiction of public services commission by act 8471 for all purposes it's now a directly

0:52:50 regulated utility prior to that from its its inception by act 6638 to the 282 2021 the commission was only required to review rate and fees it did not have a general jurisdiction over the waste management authority that was changed by 8471 um we had our opportunity to sit down last week for the first time with waste management's interim director mr daryl griffith i understand that mr griffith is sitting in the st croix office and i see him at the table now i also should point out that attorney kuhugu is also here on behalf of waste management authority in st thomas um we met with him and gave him a run through of this process historically the commission has waited for utilities to make rate applications uh we were not doing that in this case because after nearly four years we had not had received any rate application of significant amounts but we have had a lot of discussion about waste management being supported by government appropriations rather than by independent revenue or the services it provides a week ago friday the waste management authority testimony before the legislature indicated that it does now wish to pursue a waste collection and disposal fee that it's a process that is subject to both the right here's bill of rights which requires public notice in advance before it can be submitted to us but it would be one that we would fold into the same process of conducting a raid investigation again because of the scope of this and the broad nature of it the commission is looking to engage both a hearing examiner and a technical consultant

0:54:38 as we have no in-house expertise in matters of solid waste disposal we're also looking to split the operations of waste management authority into two separate investigations because they are so distinct portions of their work solid waste disposal what goes into the landfills the municipal waste recycling the metals etc is one operation and sewerage and or wastewater would be a distinct operation both financially and as a practical matter so we are proposing that the we begin shortly the commencement of the um solid waste disposal and we will wait until sometime in the summer to begin the sewage disposal because we don't want to overwhelm the staffs of either the public service commission or waste management by trying to do all of it simultaneously we will also during the course of this year be doing rate investigations into the water power companies electric services and water services again those will be staggered to try and not put all the burden on the same date on the same staff members over the course of this we anticipate that hearings will be held on each of the three islands that is our condition to for the maximum opportunity for public input and comment at the conclusion of the process which would include at the outset our sitting down with waste management authority with the appointed hearing examiner perhaps with our technical consultants trying to identify what are the major issues topics items of concern that we have to address scheduling out when we will have hearings when briefings

and testimony and evidence will be submitted and then scheduling those

0:56:30 hearings ultimately resulting in a report that will be brought back to the commission probably in some range of six to eight months from the inception of the process for the commission's considerations when the commission has brought the report the commission then has well five options i would Sam, you can accept the report as it's presented and the recommendations in it, you can order modifications to the report based on your review and understanding of the facts and evidence of that you can reject the report and recommendations. You can remand the report for further proceedings, or you can conduct your own further proceedings before the commission to further modify member. We want to let you know that we did can do a for technical consultants in 2023. we're not happy with the results of that. response back we got virtually nothing in the way of waste management responses so we are doing another one very shortly we expect to put that rfq out looking for technical consultants in waste management electrical water and solid waste sewage within the next two weeks and seek consultants hopefully because we're not looking this time for on-call consultants but actually to engage specific consultants within a reasonably short period of time will get better responses this time uh again as i noted director smith is in our st croix office who is behind me i have i'm sorry director smith i'm sorry griffith

0:58:17 does it around anything like director smith i apologize for that um yes director daryl griffith interim director daryl griffith is in our sanctuary office um i know we had this discussion i i guess i will wrap up here and take any questions anyone has and what this process entails and how we intend to proceed our special permission all right thank you for what you hear from me director professor do you wish to be on sure sure i i have just a brief statement just a page hold on hold on hold on please raise your right hand to be sworn do you solemnly affirm that the testimony and the evidence you are about to give is the truth the whole truth and nothing but the truth so i'll be back yeah so let me go go ahead okay my name is darrell griffith i'm the cfo and interim executive director at the waste management authority the waste management authority is very excited that the psc has begun disparate investigation because the authority must implement charges on many of its services to cover costs and give a better quality of service to the people of the territory the authority in 2025 has implemented projects to enhance waste management services this year waste management has begun a preserving paradise campaign to clean up and prevent litter the authority in conjunction with public works cleaned up the old elena christian school

1:00:08 in princess and st croix the cleanup filled 11 20 to 30 yard bins the waste management enforcement officers in the same week this cleanup occurred issued two tickets for illegal dumping at elena christian we are in the process of asking for assistance from the department of agriculture to cut the bush and trees at that site for better visibility and we also request that dp and our fence the site to help reduce illegal dumping the authority has also cleaned up the road leading to hey penny beach in st croix the authority collected tires stoves and refrigerators from that site in coming weeks the waste management will be cleaning up on st croix the bon esperance road clifton hill great pond carleton and many other sites similar measures are also being planned for st thomas the authority needs though the public assistance in reporting these dump-ins when they occur in st croix the waste management office number is 340-712-4962 and st thomas the office number is 340-715-9100 please also call 911 if you see illegal dumping occurring and immediate action needs to be taken the 911 team will contact the waste management enforcement officers today enforcement officers in addition to the stated tickets also issued fines for a septic tank company that was illegally disposing of waste in the oceans the last week this is just unacceptable the waste management sewage disposal sites for septic haulers are currently free so there is no reason to dispose of this illegally you can bring it to the waste management authorities off the sites and we will take it from you at no charge right now please do not dispose of septic waste in the ocean the authority will work closely with the psc to get the rates introduced and

1:02:06 approved because funding is needed to help us preserve paradise thank you so much psd commission thank you sir any questions for mr griffin Mr. Griffin, have you rescinded the recent rate increase that you imposed? Yes, sir. When was that? We did receive it. I'm sorry? That was, I think, last week. We sent the copy to your staff, too, as well. You sent the copy to the staff today? No, we... I'm sorry, sir. Okay, you sent a copy to the staff when?

1:02:51 Sometime, I think last week or this week, I don't even recall which time. We did it almost immediately after we met with them. Thank you, sir. We have a copy of the press release that was dated as of March 7th. I'm not sure when it first arrived to this office, but we do have it stated as March 7th. Thank you. There are no further questions. Thank you for your testimony and your excuse. Thank you, sir.

1:03:21 Item number four, Energy Matters. Docket 702. We have both WAPA present for their request, and we have our technical consultant, Mr. Madden, present. Can we have WAPA representatives, please? please that's Please.

1:04:29 Raise your right hands to be sworn, please. Promise to affirm that the testimony you provide today will be the truth and nothing but the truth to help you, God. I do. We will be stating it for the record and then you may proceed. Carl Knight, CEO, Executive Director of Program Power Authority. Lorraine Gelley, Chief Financial Officer. Director of the Virgin

Islands Wood and Paris Authority. Sir Knight, what would like to be heard on this matter?

- 1:05:08 Lorraine Gelley, Chief Financial Officer. We submitted the LIAC for both the electric and the water and to the PSC and we did not request any change in rates. So I did read the staff report that was presented on filings. Some information I think is correct, some I think is erroneous. However, I do want to provide the update. I think the staff report, as we had cautioned when we made the initial filing, there was a lot of questions revolving around the Watsillas.
- 1:06:06 We did incur some issues with the Watsilla starting late January, about the 26th of January was the first failing on the unit, Watsilla unit. Watsilla unit. We all in a room together, I thought we were young. The microphones are sensitive but they're not. Use your outside voice. The Watsilla 7 failed on January 26. We had some additional issues with Watsilla 5 and 6 on mid-February, and then we took down Watsilla 4 in an abundance of caution in February 19, I think, was the day we took down Watsilla 4. for the so the assumptions that we've made of course um i still stick to our original assumptions in this upcoming quarter starting april 1st we expect to have all four units back in service well that's concluded repairs on the floor and we're going through testing but any assumptions of fuel efficiency for the first quarter of the fiscal year were upended by those units being offline and our return to reliance um unit 23. that's a diesel burning unit it's also not our most efficient um diesel burning unit and so those did upend any assumptions of savings we have um at the commission's request we have started to apply some of the operational savings towards
- 1:07:56 the vertical balance and so we've set that aside we've accounted for that as the commission has requested we are looking optimistic that we should be back to our more economic modes of dispatch in the upcoming quarter starting April 1st. There are some assumptions being made in the staff report but I remind this commission that we have under recovered on fuel for quite a period of time. The LIAC rate currently is set below our actual costs and water power authority has absorbed the impact of that on the recovery um for the entirety of my tenure and relating my tenure so i do want to color that portion of the report there's also a statement regarding minimum filing requirements um it was stated that we have failed to comply with minimum filing requirements and so i am asking the commission's indulgence to clarify for me um what those minimum filing requirements are and what the deficiencies in our filing may be so that we can correct those uh for our next filing Thank you so much. Thank you, Graven Williams.
- 1:09:37 Do you have a number for the office on the recovery? We're still calculating that from a quarterly perspective. You've got to speak up, so I'm sorry. Lorraine Kelly, Chief Financial Officer. We're going through a process of calculating that as we speak and we can provide that to you early next week for the information. Apologies that I don't have that with me today, I'm sorry. Okay, I can have the second question because yeah we have engaged with EY to as we've said before the Commission before to provide a more comprehensive study i think we've offered estimates in the past um but we've actually gone through we're going through the process of uh completing a a report on that figure so that we can work from a factual figure at least from our perspective as opposed to the guesstimates that we provided in the class and we're wrapping up that exercise timeline um we can have the information too for january february of this year next week it works i'm sorry we can have that information to you your question again your balance right yes the total number the total number is currently approximately 139 million dollars and we're working on a report to to provide to this commission as we have indicated in the past with our calculations as to how we arrive at that through. And so if I may just provide some context for that. Increases in the price of fuel and that are not passed on to the customer through the rate are borne by effectively that account balance growing. So for example, in November, December, we were paying 72 cents a gallon for lpg that went up to 92 cents a gallon so in about a six-week period we had a 20 cents per gallon increase on a base of 72 cents so that has a phenomenal impact on the amount that is not passed on to the customers now subsequent to that in january we actually buy fuel on a spot rate basis so every monday we identify based on our legal contract that we have with our fuel provider we go and identify the dollar amount of that spot rate on a monday morning and we track that obviously that's the amount that they need to bill us and we track those amounts so we have that data weekly during the weeks in january and then february that reduced to the 90 cents range and it has subsequently this Monday gone down to 85 cents. So part of the calculations that we have to do are on a weekly basis of the impact of when we estimate the quarter to be able to provide that data to the PSC, one of the criterias that is a key element of that estimate is what we project that we will pay for fuel over the quarter and obviously we don't have a crystal ball so we have to you know use parameters to be able to estimate what that is when we each week when we receive um that monthly update that weekly update um we then track that against the invoices that we receive so the data that we're going to be pulling together to show the under recovery for the deferred fuel balance has to take into account not only those weekly fluctuations but the invoiced amount that has actually come through that we've been billed the fuel that we bought so there's quite a lot of calculations into it we then compare that to the rate that is billed to the customers and we compare that to our billing file so we're putting together the summary of that information for the months of january and february as we speak

- 1:13:55 thank you chair um could you be a little more specific about the the structural failures or the in the two ward sellers that you took offline before you know what's going on this is i don't want to i don't want to trade in rumors and you don't have to so no i i can provide an explanation and also have my explanation not sufficient but we have identified that the issue um involved the fuel pump um there was a premature failure on that particular component part that caused the cascading failure in the pistons of the engines because of metal shards that became loose. Unit seven went down first, probably experienced the most damage.
- 1:14:45 Six and five failed following seven, subsequent to that. And that's the point at which we sort of analyzed what was happening. We were looking at the symptom. When we realized what the cause of the problem was we recognized that unit four whatsoever was also showing similar issues it just had not gotten as far along so while that unit was running we took that down understanding that it probably would go the same route as the other three units we've identified that we've identified the manufacturers made some recommendations as to how we alleviate that problem in the future and um what's currently working on root cause analysis to make sure they understand what caused the problem in the first place so there's a workaround that creates a permanent bypass that would prevent that particular more of a point of failure from occurring in the future and so we're so the fuel pump system that failed introduced particulate into the fuel streams which are which are common to all four of those units is the fuel pump part of the wortzilla system or is it part of the fuel okay so this is a wortzilla problem yeah this is a warranty problem being addressed by website okay um yeah so was was what still paid a bonus for early completion and i i'm not going back to when it was what we negotiated what so there was a there was a settlement that was negotiated with whatsoever based on claims that they had for uh funds that uh the claims that they made for demobilizing and uh the claims for loss uh funds as a result of that demobilization um wapa and wardsila did not necessarily agree on how much that amount was and some part of the settlement included a an agreement to the portions
- 1:16:51 that walkers did agree to and an agreement for an additional two million dollars that was structured in the form of an incentive to bring the units online uh ahead of schedule the scheduled completion would have been february of 20 uh 2025. so they they earned the two million dollar payment yes bringing the units on prior to february 2025 and the units have subsequently effectively all failed uh in a very short time period are we intending to recover that early deployment bonus for them not having essentially that's an ongoing conversation um that's an ongoing conversation i want to have it in this open setting um so the units that operate we did accept them they were substantially complete went through their commissioning and testing they operated for more than a month before the initial failure so they um they did start to put in running hours but there's an ongoing conversation that we're having okay is there a uh a minimum sure just to follow up on that in ongoing conversation can you tell us what his position is we are working on getting the units back at this time um no no what is your position relative to the two million dollar quote unquote oh no the two million my position is the two million dollars um it's not an issue um they delivered a project that we took completion on um went through commissioning and testing and we did have an opportunity to say yay or nay as to whether we accept the units and we accepted the units so i can't i'm not going to renege on the the settlement that we executed with the company um we we accepted and took a completed commissioning and testing and we signed off on substantial completion of the project okay and at the time i mean in fairness at the time we could not foresee um the issues that would have evolved
- 1:18:48 on with any unit there are problems that may come up after the fact so i might buy a car drive off the lot make it all the way home and then if something goes wrong that's what warranty periods are for we're currently under the warranty period they have to honor their warranty on the event are there contractual heat rates for the either the first bank of work so is the first three and the second four thresholds that they have to meet i think it would be these would be contractually enforceable 9500 they're they're they're running at 9800 they i am not certain of the um the provisions in the contract i'll have to refresh if you could update staff in your next meetings um the question the follow-up question that would be same forward record which i'm almost certain there are some contractual heat rates that they are obligated to provide um my understanding is that none of those three banks of fairly efficient generators are meeting their heat rates and that's a different discussion whether or not those contractual axillas are there my understanding is not no one's getting their contractual heat rates and i'd like to confirm that before we have a conversation about so if you could update staff uh in your next monthly meeting sure really about those side i don't much care about the older units the older units hopefully gonna go away and they're not on the contract to anyone um miss kelly do you feel like you fully understand the arguably complex minimum filing filing requirements for um for the liac application i let me answer that in in two parts um when i took on this role i was aware of what was
- 1:20:42 emailed to the staff and as far as i'm aware on a quarterly basis subsequent to that we have continued to provide that information um one of the requests in the initial filing that we provided was that we had provided the data in a pdf format and your consulting firm asked for us to provide it in excel format which we did um i some offline conversations with respect to the reference that was made in the most recent report that we've seen from attorney um friend um as to what

specifically if there's anything else in the minimum filing requirements that is being requested of us and um so that's hence the reason why we've asked we believe that we're providing everything that we're aware of and certainly we had a monthly meeting most recently and then a monthly meeting um a month ago um i believe that we have provided everything but if there's anything that we missed i'm happy to provide it so that's why we've asked today can you put it in variety to us if there's anything three weeks ago where he had requested copies of fuel invoices and we provided them via email transmission if there's anything else that you or the team needs that is ordinarily meant to be part of that quarterly package please let us know and we will do our best to provide that the commission spent a couple years ago spent a great deal of time with arts and young and representatives reviewing the minimum filing trying to simplify wonder with the direction of director smith um i thought it was necessary because i thought it was unnecessarily unwieldy process that should be done a lot more easily and we were moving to these quarterly filings so it needed to happen more quickly um ernst and young felt fairly good

1:22:44

about the progress that was made to both simplify and correct the model which is used and the model is the basis of the minimum filing requirements uh the model has to be filled out correctly and it has to be transmitted timely um our consultants as director knight points out do not feel as though those minimum filing requirements are being met um the general statements of them not being met is not particularly helpful we need more specifics but i am getting a little tired of walking into liac discussions and not having any great sense that the critical data that is necessary to calculate the number that we vote into rates actually has a basis in fact it's a very important number people pay it it's it needs to be correct and not a guess to the extent that we can not guess at things we guess at fuel prices we guess at dispatches generators um we guess it um i guess some expense heat rates of various generation equipment those are always going to be estimates there are many things that are not estimates that we also miss on the line losses and on production revenue production but if we don't have any sense that the numbers that you're providing us have a basis in fact then i'm not exactly sure why we're going through the calculation we could just renew the rate that we have each time that has to stop the the idea that that we're not in agreement that the mfrs are being met that has to stop in the next time i'm i'm willing to understand that you're new and and it is a complicated spreadsheet but it has to be fully provided i know you get help from ian wine sergeant and lundy to run pro mod and the dispatch models um that all has to be done and it has to be we're not making up mfr again uh just because you're new here the model's been in place for decades and and corrected so this had this problem has to stop if i may respond to that um we when we met in november indifference there were some questions regarding the model and and when we received a request that we had provided a pdf and needed to provide an excel we actually conducted a meeting with ey present and sergeant lundy present and your staff and we reviewed in very specific detail specific cells and reference points on that entire model i was present for that meeting and during that meeting we we asked if there were any additional questions that your team would like to know the answer to it at the end of that meeting was no that said please know that i am very much open to having a monthly meeting every month to discuss and review that model with sergeant lundley present with ey present um sergeant lundley does do the calculations um but let me give you some context in terms of when we prepare that um i was present for the most recent quarterly review because i i want i knew that some of these questions were coming up um what we do is we actually have the um the budget and forecasting team that does our budgeting model and re-forecasting each quarter were present for that we actually included ey we included sergeant lundy and we included the treasury and cash team that pay the bills and see all of the invoices for the fuel invoices all of those were present for the setting and establishing of what those rates would be for this the quarter that we're currently in and my expectation is that going forward we would conduct similarly those meetings and we also had some of the operations team that helped us establish the fuel quantities that we need to procure um based on the burn rates and and each of the units and um they help us establish we have a meeting each week to establish what that future procurement is going to be and we reset on a weekly basis and some of those people what some of those operations management team were present

1:26:55

at that meeting um so i i as far as i'm i want to let you know when any suggestions that we might be kind of guesstimating we're bringing in the best teams from within WAPA to be able to help us address that it is very important to me that we have teams what i'll describe as cross-referencing that so that we've got the forecasting team as well as the team that sees the invoices to make sure that we're not missing any data but again i'm more than happy to conduct those monthly that meeting that we had with sargent lundi and ey and the psc staff we can do that every month if if that would help so the invoice solution choices are not particularly important in the sense that liac isn't based on how much you spend it's based on how much you're supposed to spend based on the assumptions that you the engineering assumptions and the consumption assumptions that you make within this model that we've created to capture this thing we call mfr i will point out that it's near certainty that the information was not provided to us in in the manner which is requested or required for a timely filing that's a problem but that's a problem that only you can address i don't think that's in dispute we didn't get the filing in time frankly have meetings about it um but i don't understand why why that group of people that you

described including our consult can't all nod their heads at the same time when the question comes up is there any more information necessary to comply with the minimum filing requirements the minimum filing filing requirements are barely very clearly stipulated and they're they're very deliverable individual items so we have to stop doing this each month where we're not all nodding our heads at the same time saying yeah we got the process right the process is important it it brings up a number that real people have to pay real money on and i'm tired of guessing at it so we are guessing

1:28:57 we're not always we're not always correct so we're going to probably adopt the rate today i don't have a great deal of confidence that it is as good as it could have been in terms of the information that is available to us we have to stop doing this each three quarters simple response i think you started your position correctly language in the in the report says it's important to point out that papa continues to make these important filings with complete disregard of the requirements of the minimum filing requirements i think that's a i think that's another statement that i would take exception to as well because i think it's unnecessarily broad it's not necessarily broad it doesn't specifically point out what assets it's not helpful yeah it's not helpful it's all we're asking our simple responses if we have somehow failed to provide the necessary data based on the agreed upon minimum filing requirements that barely have been haven't been agreed upon a couple years ago just point us in the direction of where we're deficient in our fires and we'll cure the deficiency and when this came up several years ago i actually convened all of those groups together with director smith in houston and try to get everybody on the same page i'm just a commissioner that's not my role um i understand how the act is calculated i understand how it it goes awry when it's not calculated correctly i do not want to participate in that process i want to sit up here and get the data like each of our commissioners wants to sit up here and get the data and determine the rate that the utility can use to recover its fuel you guys have to actually get in the room and do this we've had now two two quarterly files that were in some manner i would say you know grossly deficient but deficient uh according to our consultants i don't want to have another one okay you've been here long enough they've certainly been here long enough if you guys can't get in a room and agree that there's a problem then that is in itself a very large problem okay that's my that's my

1:31:01 thought on liac i'm tired of going through this every month and i'm tired of going through the last minute where there's no opportunity for us to actually get to the issues of deficiency if they exist so the timeliness of the filings is is the first thing you correct and the other thing that you can do is you can work with your counterparts at the psc to make sure that everybody agrees we're following the process i understand sir and since your consultant is here perhaps he can tell us today what is the deficiency and we will correct it would be more helpful if he gets in a room with you and perhaps under the supervision of attorney spring um to so that we can all finally agree that we we agree um okay um that's those are my questions on the react um yeah heat rates dispatch models flying losses i'll ask those questions of our consultant if you like the information question oh okay um i really senator carla joseph i really um appreciate your time being here and the depth of information you have provided i wanted to uh get a question at least clear in my mind and an understanding of when can we see that the wattcillars are four phase two wattcillars are finally operable and working so we don't have to rely so much as we are now with the older generators what is your timeline so the timeline for the repairs of the issue um like i said the first one so i got prepared and we're going to do a testing phase right now uh troubleshooting us as part of the testing phase and um i anticipate it's 11 there will clear us if i'm wrong but i anticipate that we'll have it back before the end of this week um we are working on we'll get to work on the next one and it's about a two-week interval between it's just the time it takes

1:33:14 to fabricate the parts in the machine shop in new orleans and bring them in and install them but i anticipate having all of them on or shortly after uh april first starting this week with whatsoever moving on to whatsoever flying and eventually towards the end of the month having what's in the seven back on it before april we fooling us on april 1st you know because you're going to call april 27. okay good that's why i asked that question deeper that's why so we're going to say by the end of april all right okay so uh the other question i have is relative to your accounts payable how much uh do you owe i know you have a certain amount in deferred fuel costs that you've mentioned that combined with your accounts payable how much is it roughly um i i would make sure um lorraine kelly cfo i want to make sure senator joseph that i'm answering your question the deferred the balance is an account receivable it is on your asset okay it is receivable to us and the account payable would be the amounts that we're owing to vendors can i just make sure are we referring to the accounts payable we're we're i'm referring to the accounts payable okay because i already know how much you have as far as deferred fuel costs which you said is over like 139 million okay so so our current accounts payable um we have reduced that substantially um if you remember at the hearing um in april earlier last year i do i had mentioned that that was approximately 398 million and it currently

1:35:07 stands at approximately 160 million and we have reduced that greatly um through primarily the asset uh acquisition of these enabled us to reduce some substantial amounts that were owed um to that that vendor and in addition to that we have negotiated what i will describe loosely as settlement payments with some of our vendors so for example if we pay

you x by this date will you allow us a discount or a reduction of some of the fees and we've been able very successfully to reduce some of our accounts payable through that as well as in addition to just regular payments of our accounts payable so where we are right now we have currently approximately 100 million dollars of what we call operating accounts payable and that means worker has to find funds to be able to pay that and then in addition to that we have approximately 60 million of funded accounts payable and that means that we have vendors that we owe money for which that is a grant either from fema or hud or another one of those parties and ultimately the funds to be able to pay those vendors for the work performed will be through that grant and that's the approximately 60 million and again please know that that 60 million dollar balance was about 100 million six months ago we've been able to work through to whittle that down okay so that's very commendable that you're working that down and i'm expecting that some of it is because you've been uh getting reduced costs even though you said you got a little up hike uh with the lpg costs you're still seeing a significant a reduction in overall cost because of the watsillas um as you had anticipated

1:37:00 that is correct and for the month of uh for the end of december when the um all the new visitors were live as well as during the january time frame before they started um that failure we did see a benefit and we were able to set some of that money to paying some of that accounts payable off so we did see a reduction in our ip as a result of that okay great now uh i'm saying great but i'm being cautious with saying great because uh we don't have full generation from these uh new uh these new generators how much is it costing us now how much is costing you now uh to bring back those uh older older units and bring them back on the um the mode of operation uh depending on the mode of operation we use it can be as much as a hundred thousand a day i'm estimating it about three million dollars over 30 years we haven't quite hit a 30 year yet but i'm estimating and projecting about three million dollars uh are you seeing any challenges would be able to pay your vendors for the fuel we are seeing challenges and let me just back up and have a broad statement we've made statements previously that wapa is under very strict restricted cash position we continue to do so we continue to balance each day and each week which vendors we can pay um based on the funds that are coming in um we're in a very very tight position and so on a daily and weekly basis yes we are very much evaluating which vendors we can

1:38:48 pay um the fuel payments um we have critical payments that we prioritize um obviously making sure that we can pay our debt service and making sure that we can pay our employees and making sure that we can pay our fuel bills are the three primary then we have what i would describe as additional critical vendors they help support us in terms of the electric side generation as well as the water side and the desalination plant and we make sure that we make those payments to them beyond that we we do struggle with with vendor payments and we struggle with based on um the payments that we receive from our customers um most notably including the government if if those if those payments i'm i'm going to i know you are you know you're not coming there i'm sorry to interrupt senator joseph um as kelly you know i was coming to that other question regarding the government and of payment what do the government go how will we pay um as far as because i know if you could segregate it so that we know what the entities are you could send it to the chair but i think it would be best to place it on the record how much and also the street light because wapa you're represent you you are the one who lights up every place and so the government is responsible to pay you for the street lighting as well correct that is a great okay so tell us on the record how much first we owe it for the street lighting

1:40:34 and the street lighting bill currently uh is approximately 2.3 million dollars that is owed wouldn't past you uh how much 2.3 million 2.3 million okay approximately 630 000 per month so of that 2.3 million that represents four minute four months past you and now uh what other government entities own um if i can maybe start at the top just to give you a high level do you have a spreadsheet that you could also send to us we can we can send that spreadsheet yes okay let's go ahead put it on the record so from an approximate perspective we have um the waste management and the two hospitals have not paid us for the last month's payments that were due the january bill that was due in february and we are currently in a process we should ordinarily we would have received the february payment this week and we have not received that either that is approximately nine hundred and fifty thousand dollars a month so we are in a past due situation from that nine hundred and fifty thousand dollars that was due in the first week of february that's what's management now and you you added the both of them together to make up that 950 segregate them for me please the um monthly the waste management is approximately between 310 to 320 000 a month and monthly the hospitals are approximately 670 to 690 000 a month so and that's the two hospitals that's the that's

1:42:31 actually um broilester schneider um the one lewis and then a small very small bill with my rookie so that's all all of them so the reason why they're aggregated son of if you remember when we had issues and waka had issues last year there was a conversation about including that into the single-payer and paying that directly from finance that's correct um for whatever reason it's not part of the overall gvi single-payer so we have two single-payer accounts essentially one is waste management in the hospitals the other is everybody else so we kind of put them in those two buckets because we get two payments each month one for that those three entities and one for the rest of the government okay all right um for the rest of the government now um without going through all of the nitty-gritty we can we can send that information um there is

the single payer is approximately 1.8 to 2.1 million a month again depending on how much utility consumption is and that is not yet past due for this month they have been keeping the single pair on track and being paid but um that would be due that is due on the 15th of the month so they're not past doing that they are not past you very good so let me so let me um let me rewind and go back to bring some clarity issue so the under recovery on the street lighting formula that is being applied based on the law that says ten percent of the ten percent senate property tax is insufficient on street lighting and what do we invoice the government so until that's corrected there's always a point in every fiscal year in which there's just a portion of street lighting that once that set aside from property taxes is expended that that portion just goes unpaid the there's an additional restriction which is of course property taxes all come through at the same time each year it's not like it's a monthly payment that comes in so we're trying to get that

1:44:32 cash flow very radically um so those are the issues we've been trying to to work through on street lighting is a structural challenge there on providing full cost accounting so that's that's the one issue um i think the the single payer issues are being worked through however deficiency going back to your original question on on any given week we are looking at our fuel payments we've had to negotiate smaller fuel payments smaller more frequent fuel shipments because we can't take on the 65 000 barrels that we'd like to take on in one swoop um every time we make those sort of negotiations and adjustments there's always a risk of additional transportation costs being tacked on because i'm asking for a tanker to not come in full we come in with partial load or asking for a barge to come in at partial load so i sometimes get hit with a premium because i can't afford to fill the barge i can't afford to fill the tanker i've had ships up to last week sit in the harbor for three days while i accumulate the cash to make the payment so it is an ongoing triage of our fuel situation okay thank you for that explanation i wanted to um ask you relative to again going back to you said it was before that he said it so i have my nose down he says you typically will fill up a lot of 65 barrel barrels 65 000. this is monthly three times a month okay yeah three times a month and when we get to the summer it might be beyond that it might be three and a half or four it depends on the customer consuming more requires us to buy more fuel so in the summer months when the air conditioning units

1:46:24 a rule of course it's understandable because we are using more electricity okay so now i don't mean to monopolize the time i'm sorry okay let me just wrap it up i just checked i just have to check with one other item here um i know you have a number of alternative energy sources that are coming online how is that playing into your whole operational to reduce costs you had your interconnectives study done is completed with sergeant and lundy no it's not completed but we do have some we have the one solar farm which you're familiar with on st croix that's online now okay so when sorry when do you anticipate that that interconnective service survey or assessment it's going to be completed um i had that conversation up to this morning i uh it's a conversation that i need to have to search on me should be you know honestly i want to be able to say within 30 days i feel a lot of the data okay i'm sorry to interrupt you mr knight do you don't you have within your contract with them certain benchmark and threshold that they have to me so their contract is not i don't directly have a contract with them for that service which is part of the complication um they've been working on a contract under which o'brien okay it's an indirect relationship that we have they're providing these services on our behalf all right i mean i have some further questions but i leave it out there i'm gonna just talk to him offline that's that's fine mr chairman thank you so much for your responses can i just offer a couple of comments on the street lighting issue that'll be relatively brief in five minutes

1:48:20 the street lighting fund was created back in 2003 it was subsequently amended because it was woefully insufficient with the original dollar amount it remains as they've testified insufficient to actually cover the cost of street lighting we have discussed with previous management and with previous legislatures there is nothing in the street lighting fund that says the government is entitled to free lighting once it runs out of the tax money tax money that's set aside is simply a set aside if you owe more the government still owes more they either need to pay that bill or WAPA needs to adjust street lighting to reduce the cost of street lighting to what the government collects i don't think from what we've heard repeatedly the government wants to reduce the amount of street lighting in the terminal those are really the two options increase the increase the funding yeah and i and i just mr chairman just bear with me one moment please and i have we are as the legislature are really strongly deliberating some of our tax structure but we just need a tax commission to get up with money so we can have some good data but for what has no intentions of increasing the street lighting that we're going to have correct if i'm a responsible student and ceo of the company i would um but you are not and the outcries that i hear from from the community and it is a difficult that's why i wanted to make sure i put that out there very starkly because um i'm not doing right by why not reducing them on the street lighting to match what we actually get funded for so the answer to my question is yes everything's on the table at this point that's the night you testified

1:50:22 that on january 26th uh was still a seven failed correct when did the repair persons come to st thomas to work them about a week a week and a half afterwards about a week and a half it was uh the following week uh i think that we could follow about a week and a half yeah between seven to ten days last 30 to 45 days They have been able to identify the problem.

They've repaired one of the units already. They've made repairs to the overarching issue. There is some machining that has to take place on the other units. That's a little bit more time consuming because that fabrication is done in Louisiana, and then it has to be shipped in. But they have done the first unit. I repaired the first unit.

1:51:15 Is that unit seven? Unit four. what's a look for which was the one with the least amount of damage okay but what's the status of unit seven the first one that failed so what so that that one is because it has the most damage we've we're saving that for last we're actually going in sequence what's a lot of five we expect to have uh back in two weeks um what's the law let's see how it comes to the end of april six So we expect two weeks after that, and then one CLS 7, two weeks after one CLS 6. So that's all I got to do with April, thank you.

1:51:54 Let me switch to the subject a little bit. You have extended your contract with VTOL? Yes. Have you provided that agreement to the PSC? I can. I don't believe that we have, but we can certainly provide that to you. i'm requesting that i'm provided and continuously all of your contract with details will be submitted to the psc um when do you intend to make a payment to the as mentioned before our cash position is extremely tight and we have to weigh um fuel whether we pay and whether we pay debt service and then all other vendors are a category secondary to that um unfortunately the costs are extremely exorbitant for us to be able to pay on we have made some small payments admittedly they are small um it is consistently on a monthly basis in my mind whether we have the funds to be able to pay um it is our intention to when the caches available make those pictures so where do we fall in that hierarchy right after the category she does something i'm sorry right after the category she does something that that doesn't help we we um we're endeavoring to do all of this um we there's some more work that we have to do and perhaps this open session is not the right it's um critical work that we're getting to um

1:53:45 that's necessary for us to really address our marriage and that includes the public services that to to put a time frame on that between now and next month's hearing right now that things are a little bit opaque um we do have some cash flow issues that we're working our ways i do feel that the convergence of the mozilla's the renewable projects um some of the the uh different enhancements we've made over the last six months are going to improve our ability to uh keep up with our debt obligations including to the psc and to work off the arrearship we've encouraged So Ms. Kelly, you testified in the response one is Senator Joseph's question about your past due amounts that's owed by entities. Am I correct that is your intention to collect those funds?

1:54:48 yeah every customer that owes us funds we have um we're we have increased our collectors and we're in fact for the next budget cycle adding one additional collector so that we can continue to work with our customers if adjustments are required we give adjustments and if there are no adjustments required and the customer needs to pay we do work with our customers um the extent to which their credit allows them to have a payment plan and the customer that owes us funds we are actively engaged to seek and collect those funds including all past new funds right including all past few funds thank you all right thank you for your testimony the excuse at this time we're over here for Mr. Martin. Good morning all, Chairman, Commissioners, Senators, public I present an overview of the report that we did for the...

1:56:47 Place your name on the record, please. Yeah, it's having a little trouble. Okay. So, just give you the highlights. I'm sorry. Name is Jennifer Madden. Madden, consultant to the Public Services Commission. In terms of the overview, the Water and Power Authority submitted its petition on January the 16th, 2025, for the Electric LIAC for the fourth quarter of fiscal 2025.

1:57:25 That's April through June of 2025. Information was also provided for Water LIAC the calendar year 2025 and it was filed on December 3rd 2024. It's important to point out that WAPA continues to make these quarterly filings with complete disregard of the minimum filing requirements and as such we believe that the filing is incomplete and could be disregarded by the Commission. I just want to make a point, the minimum filing requirements is more than the ASL spreadsheet. The minimum filing requirements took a year in front of a hearing examiner to get the requirements and it went through one set of modifications with her, and they're important. WAPA, the institution, has their filings previously that were filed in accordance with amendment filing requirements. At the moment, we get a one-page transmissal with one paragraph that has any meaningful data. The previous documents had significant narrative on what the assumptions were, how the sales were forecasted, how the generation was forecasted. For example, we have no information on why units six and seven were disregarded for output.

1:59:01 Nothing, not a word. Since the file, there have been two changes where the units have been taken offline. Nothing formal has been filed with the commission. it's not filed with the commission it's not in the record may have picked up the phone and called the staff the psd staff we were not involved and it happened twice since this file was made nothing is in the record with regard to that other than what staff has gleaned and put it so this has to be corrected it's more than the spreadsheet ernst and young did a good job streamlining the excellent we agree with that and the spreadsheets correct the numbers and numbers it's been reorganized to be much more effective but the narrative given that these filings are

quarterly staff only has 45 days from the time we receive the report to the time we file our report. We need this narrative. We need to go back to the requirements. They're very specifically stated in the Commission's order which adopted the hearing exam.

2:00:15 That's just not being provided. It's totally being ignored. So that is what the staff is pleading, requesting be reestablished. We can do some of that by conference. I agree with the CFO, and the conferences help a lot if we happen. So I just make that comment that the minimum filing requirements are quite important with regard to the filings. And you're available to sit with Walker, with Ms. Kelly and her team to go over what it is you need and, you know, look at what the MFR has been and what they're efficient in, if anything, so that everybody's on the same page, so that you get the information you need to do your report so that you can provide it to the commission correct yeah sure but i mean there is an existing commission order which adopted the hearings and it's laid out pretty specific we understand all that but i think it might be helpful for you all to get together in a room on a conference call have a conversation sure so that everybody's on the same page so that commissioner hughes doesn't have to go through there's another time to to be guessing that information i think the more productive suggestion is to remember that ernst and young that worked with georgetown and others to develop this minimum violent requirement to refine it to get it as simple as possible it's still not particularly simple uh it's more complicated than i would like and thought was necessary but it's what the consultants and E&Y agreed was sufficient. The team that developed following that exercise, the team that provided WAPA with essentially the entire filing still exists and WAPA still has access to it. So it's not clear to me why if WAPA has access to the people that complied with the minimum filing requirements for a period of years, why they deviated from that filing. And the question I guess would be they feel they have not and we feel they have and that's actually the question, but the people that have been providing this information directly or indirectly to the PSC what has complete access to them. I don't understand why anything changed. it seems to have changed with the arrival of miss kelly because when dr smith was here we

2:02:46 actually she was here for a period of that time as well the filings were complete uh at that time you guys need to work it out i just know that the data is there and i know that the people are there i know the people um why wapa can't recreate what they've created before is beyond me right and that's what we're saying i'm gonna get together and work it out and i will caution WAPA that if our consultants are saying we need these 10 items that you disagree you think we only need seven that you should earn the sign of caution and provide the 10 that our consultants are asking for because that's who we're relying on just so in the conversation we're clear in terms of who's guiding the ship but go ahead. Thank you Mr. Chairman. So continuing on uh on the report For the Electrically Act, WAPA customers had hoped that four new Watsilla units would be finally online commercially to provide some rate relief and enhance system reliability. In its simplest terms, WAPA's rate payers have been paying nearly a decade for more reliable and efficient generation with associated rate. In the petition, WAPA says the filing assumes that the Watsilla units are fully available for dispatch. As such, only a single scenario of the Exxon spreadsheet was included. Unfortunately, recent events that have been reported have proved this assumption and associated fuel savings to be uncertain, as has been the case in all recent electrically and violence. WAPA has recently taken the four whatsoever units offline. The time we wrote this report this is the first time they took the units offline and recently there's been an update a second set of setbacks which are being worked through the solution seems to be the same from what i've been told by council that two of the units will be online in march and two of the units will be online in april

2:04:47 The team of Watsila personnel is on Ireland performing analysis and repairs to the generators. WAPA indicated, as I said, Unit 4 will be online, et cetera, and the current version is two units online in March and two units online in April. In the current petition, WAPA says, effective June 1, 2024, WAPA entered into a nine-month propane supply agreement with VEDOR. WAPA is in the process of issuing an RFP to find an alternative LBG supplier.

2:05:29 At this time, there's significant uncertainty around what responses WAPA will receive to the RFP and the transportation rates will be offered. As such, WAPA is assuming a continuation of the current transportation rate until RFP responses are received. This was in the petition, and that, again, has been updated just days ago. Nothing formally in the record, but I understand from Council, again, that there's an extension to August of 2025, 25 and the transportation rate is still at the rate of 59.5 cents a gallon and the executive director is indicated that people i'm sorry i didn't the executive director just testified you provide that information to us um we didn't get a date but if you could provide with it by the end of the week um that would be appreciated right what rate was you what which of the two rates we have a rate which has been approved by the psc um and we have a rate which is being asserted by contract by wapa was the current 59 cent transportation rate used in any of the calculations that are before the commission yes the 59.5 is what wapa has used what have you used 53 uh 33 cents which the commission the last commission approval of the transportation rate has been 33 cents a gallon and as far as i know the commission hasn't changed that order and the difference in that calculation only amounted to six tenths or five tenths of a cent them using a fuel rate which was effectively 20 cents per gallon higher yes

wow would have thought

- 2:07:16 it'd been more significant the difference yeah it's uh i mean on the calculation i believe it's It's maybe a million and a half dollars a month. WAPA has since confirmed that it has extended the current agreement, which we just discussed through August of 2025. The agreement imposes a transportation cost of, again, 59.5 cents a gallon, contingent on WAPA purchasing at least 150,000 barrels a month. The issue of the fuel contract not being negotiated is troubling and has no adequate explanation.
- 2:07:55 There's nothing in the text of that or transmittal. Again, this would be part, an essential part of the amendment 5 requirements. Bright testimony from WAPA officials has indicated that the new contract price was expected to be lower than what WAPA was paying for transportation of fuel, 59 cents a gallon for propane. Dr. Smith indicated many times that he thought the renegotiation would save at least 20 cents. So at this time, the price for LPG that the Commission approved of 33 cents a gallon is what staff recommends be used, rather than the continuing current price actually paid by WAPA of 59 cents a gallon. Harper states, in this filing, WAPA assumes that the Petronello solar farm is online and providing power to WAPA.
- 2:08:47 However, the Hogan's Borg solar farm is not assumed to be operational until the third quarter of calendar year 25. We have been advised previously that the Hogan's Borg facility would be online by the end of March, and I understand the Commission will hear from VIW at this meeting on the status. I have no further update on that issue. So in the second quarter, Hogansburg is not in the calculation for the REAC.
- 2:09:21 If it were available, I would imagine that our numbers would be reduced slightly further. While staff has been told that the four new Watsili units have undergone testing and were briefly dispatched, they have not been in sustained commercial operations. WAPA's filing does state that it assumes that the unit will be available April 1, 2025. Specifically, this filing states, Virgin Islands Water and Power Authority submitted its petition for the MEAC, etc. due to the due to the new Watsili units becoming operational WAPA has seen a reduction in its generation cost however the authority is not requesting any reduction in rates at this time in order to recover its deferred fuel balance the schedule will result in two of the Watsili units being available at the beginning of April to the June quarter and the remaining two coming online in the first month of the following quarter.
- 2:10:30 WAPA has requested that the existing LIAC rate of 22.22 cents be continued for at least the next three months. The staff does not believe this is a reasonable assumption given that the 40 new units have been on Ireland for more than three years. no information has been provided on the deferred fuel issue by WAPA directly or in response to questions requested by the staff the validity and prudence of the entire deferred fuel account has yet to be presented and ruled upon by the commission for several years now WAPA has not sought a rate that supports its current generation costs before the Commission considers whether those costs are reasonable just approved.
- 2:11:22 WAPA simply goes into each period knowing that it's going to lose more. As a result, WAPA has no working capital left, has deferred payments to its vendors in significant amounts and is significantly in arrears on maintenance of its generation and distribution systems. WAPA has acknowledged that it is not able to fully prepare for the 2024 tropical storm season due to the lack of financial resources and is only months away from another tropical storm season for which planning should already be well advanced. On the shipping and transportation costs, the following information was provided or obtained through information provided by WAPA in this proceeding for the projected period april through june the next quarter the currently updated for the current fuel prices and priced on the commission approved 33 cents a gallon for transportation with the new wholesalers in service staff computes this is based would you like a copy of the report yes please Thank you.
- 2:13:11 The fuel price computed by staff is 18.68 cents per gallon, based on the WAPA dispatch, but based on 33 cents a gallon. To the extent that we adjusted the dispatch to take into account units six and seven, which were not included by WAPA, the fuel cost that we compute for the LIAC drops to 18.17 cents per kilowatt hour. And this is the this is the price that we recommend be adopted by the Commission. So we state in our report that it's our recommendation that the electrically accurate of 18.17 be implemented as the new electric react rate.
- 2:14:21 With regard to the Ernst & Young study, we have a summary in our report, don't need to go through it all here. I think the Commission has seen a lot of the issues that Ernst & Young raises, is very familiar with those issues, as we say in our report. The key issue that we believe is stated in section 8 of the section of report where Ernst & Young says a key takeaway of that report says in phase 2 of the assessment, options will be evaluated to resolve legacy issues, debt issues, and needed cash reserves. Options to be evaluated may include government support, new revenue generational or operational cost cutting, improvement, sale or portions of the business, monetization of assets, joint venture, partnerships with third parties, or restructuring. restructuring. Staff believes that this is a key aspect of the study. We observe that the

condition of WAPA not paying its liabilities is and has been disastrous. Vendors not paid accounts receivable at unsustainable levels resulting in deferred maintenance of equipment and deferrals of service to WAPA resulting in high cost and poor service quality. WAPA has not paid its regulator, the commission and its resources a month due by statute that we believe is unheard of in any other jurisdiction the staff believes it would be helpful to make clear the consultant eastern young

2:16:10 sees as the objectives or the options being developed in the objection will the objectives be consistent with well-established regulatory principles to have electric grades only reflect prudent costs which relieves the standard across the country who would determine the appropriate rate should be currently it would be the commission that would establish the rates and staff observes that to the best of our knowledge the commission has not been in the role for this study i go to our recommendations our recommendations in this proceeding for the electric proceeding is that the electric react rate be changed from 22.22 cents to 18.7 cents for all bills rendered on april 1 2025 forward and the rate shall expire on june 30th wapa show important monthly the status and output of the four new youth sellers to the commission 3. WAPA shall provide a status report of its efforts to obtain a new LPG contract that was required by March 1.

2:17:34 Well, there's been an extension, so it will now be August when the current fuel contract expires. WAPA shall provide a schedule showing the component parts and amounts owing to what seller for the commissioning and other activities and payments made against them. against them. Five, a comprehensive report on all planning activities on Synthroid generation shall be provided to the Commission. And six, the status report by April 30 for all anticipated grant funding for both water and electric projects. We have included in the report our report on the water liac which is relatively brief the filing by wapa indicates that they would like the current rate of nine dollars and 53 cents a thousand gallons to remain in place indicated that the cost that they compute for the liac on a cost basis would be twelve dollars and 53 cents a thousand gallons some of this is due to the increased rates from seven seas and the second issue which is struggling is that the line losses seem to have increased significantly in this proceeding the amount of water produced and purchased from seven seas has increased and the amount sold has decreased indicating the line losses have increased even further that's troubling as the staff's recommendation at this time is that the that commission adopt whopper's recommendation to keep the water liac at nine

2:19:27 dollars and 53 cents a thousand gallons uh monitor what the electric liac will be the electric liac is a substantive input issue to the water liac and to the extent that the rate actually drops and the fuel savings actually occur from the four new watt sellers being in service on a consistent basis um what the calculation would show as to what if any change in the water is warranted and that concludes our reports thank you mr madden questions by the commissioners you've probably going to hold on to that until the question you could hold on to that okay Commissioner Samms, Commissioner Williams, Commissioner Hughes, any questions from staff?

2:20:33 No thank you. All right thank you sir. Any discussion by the commissioners? a motion i have i have uh just a point of discussion um first of all i'd note that this commission in the first quarter um structured its motion clearly accurate in such a way to recognize uh two components of it essentially one is the what we're calling the current fuel expense which is the number that mr madden has been uh discussing and the number which which wafa has asserted and the second component of that to the extent that the rate which which we motion exceeds that amount is being accrued against some future portion of um it's an amortization against future payments of the deferred fuel if any that are recognized by this commission i think that's a very useful way to characterize this because we haven't completed the conversation about deferred fuel recovery we can't do that inevitably or we can't do that continually because at some point we will have accrued amounts that perhaps are not owed to the utility so if we need to get to the deferred fuel conversation sooner rather than later as we accrue payments against the future award at some point it becomes problematic that we've accrued certain amounts against an award that may not be made um i would not think it requires a motion by the commission but i would suggest that staff and awapa start that conversation of i would say a high level discussion of formulating the positions of each side as to what that number should be in terms of recovery against the 139 million which currently exists on the books of the utility this commission has not taken a position uh to guide our consultants with respect to prudence of recognition of certain of those

2:22:37 amounts that are going to come out of that conversation for instance we have not taken a position on whether or not we will cover the difference between the commission's accrual transportation rate and the transportation rate which you're currently paying and negotiated without without inclusion of the commission we haven't taken a position with respect to public subsidies and whether or not they affect the fuel expense um and how they might be applied to that math so we haven't actually given our consultants or our staff guidance about some of the major components that are going to affect the conclusion of the deferred fuel expense um discussion but we need to get at that discussion surface those questions for the commissioners so that we can give guidance to to the conversation that you're going to have with our staff the

sooner you you guys start that conversation and and assert the math the sooner we can identify the prudence arguments that the commission has to speak on um i'm not going to try and anticipate them all i know what a few of them may be but you guys need to decide what what guidance you need on certain components of this deferred fuel balance that may or may not be recognized by members of the commission um so i like attorney sprain directors tory i like the convening of meetings ceo knight if you guys would uh get that up calendared because i think by the time we get to the third quarter we're going to have accrued enough money that it might be problematic to try and call it back so um i'm prepared with a run for the motion on yeah go ahead

2:24:31 um i mean does anyone have any additional thoughts on that mr madden mr knight you are you prepared to enter into the discussion of the deferred fuel account because we keep talking about it but no one's put put forth a position so so um for the record mr floyd's friend and the accounts receivable team did actually meet two weeks ago and had the spread up and we met for about 45 minutes to discuss it so we we are beginning those conversations okay and for the record deferred fuel is the difference between what the utility recovers in lead act over time and what the commission deems the utility you should have spent over time um that's a different definition than i believe the utility uses to accrue those amounts on your balance sheet i think the utility has been presented to me that you take the position that if you spent the money and it exceeds the recovery then you're entitled to to book those amounts as deferred fuel um i wanted to ask a question about the battery contract i know we haven't really started to pay it yet but you you haven't presented the battery contract to the commission we've requested it we're going to get it um probably by the next filing are you intending to approve the costs of the battery contract in in deferred fuel in the deferred fuel account that's to us yes yeah which which battery contract this is the hundred wealth stuff starting in petronella and going through hogensburg and ultimately out to uh large fields to be built here in saint thomas i'm sorry i might have missed the uh carl knight this ego i might have missed the request for the that information with the concern they provided it was made probably four or five months ago um my feeling is that i'm certainly entitled to it i see no reason why it would not provide it i can provide it it's not a problem it's uh how are you planning to recover the costs i don't know what they are because i've seen the

2:26:34 document how are you planning to recover the cost of the battery contract i mean that's that's all rolled into our uh costs associated with the with the solar farm um which is a component of leader right so under recovery 10.9 cents no it's a separate separate fixed charge monthly fixed charge um there's a contract for a separate monthly fixed charge for the batteries but i can provide that okay so to the extent that you're under recovering in liac you are effectively under covering that amount as well but we don't calculate that amount in liac we we use the 10.8 um you haven't you haven't paid it so you have not asserted those battery amounts yet they have to be hitting the books fairly soon because the batteries are now online yes okay um raymond's back um i'm happy to make a motion with respect to the electric yeah um recognize that we played we'll provide the honeywell battery contract um later than march um 14th it's the vi electron battery we just sent it we just sent it but justin i'd like to make a motion mr chair with with respect to the electric uh liberalized energy adjustment clause for the period april 1st to june 30th i move that the rate be maintained at the current 22.2 cents 22 cents per kilowatt hour of those amounts the commission recognizes the 18.17 cents of that amount shall be attributed to current fuel expense and the remaining portion

2:28:30 4.05 cents be accrued against any future deferred fuel recovery which may be being negotiated between the commission and the authority so on second there has been a motion then made and seconded any discussion yes what what period of time are we talking about like this this will be uh april 1st to june 30th the next quarter i i'll offer a point of discussion as well because i didn't include it as a motion when we first talked about this in the last quarterly act discussion we talked about the idea that we will providing the authority with what amounts to recovery of additional funds additional receivables at that point four and a half cents and that's about two million dollars a month to the authority we feel that that is working capital we feel that that should include payments to cover your assessments to this commission i was very tempted to make this particular motion contingent um or your collection of this rate contingent on your payment of certainly the um docket specific assessments that are owed which is an amount of approximately 144 thousand dollars prior to the implementation of the rate i will include that in the motion in the third quarter lee act and you will not collect any additional funds above the current fuel expense amount uh if if my motion carries if you do not pay this commission it's it's docket specific assessments so that will be a condition of not this rate but it will be a condition if i make the motion in the next rate please prepare for that with your cash flow we we are not going to continue to wait and be the only commission in the united states that allows its public utility to not pay its assessments so that's the next rate will be dependent your working capital of two million a month will be dependent on your payment of certain amounts to this commission so i didn't include it in this i didn't want to spring it on you today

2:30:42 because it's 15 days to you know for you to come up with 150 grand but that will be included in the next motion for the next week mr kelly plan for it but let me add to that i think you all can tell with what i said he was just saying we're very concerned about what was lack of payment of assessment to the commission it's it's unacceptable and while you may

have us at the bottom of the toilet board in terms of priority um it's our position that we need to move up to the very top of that probably still because um your failure to pay your assessment is affecting us setting something that we want to continue to extend that we work with you to provide you with working capital respect whopper to in return paid assessment to the commission so you know in the future they're going to be other terms and conditions if you don't voluntarily on a timely basis make good on your obligations um to the commission all right we have a motion has been made and seconded roll call there's been discussion roll call roll call commissioner mcgras commissioner mcgras excused commissioner nichols sands yes commissioner raymond williams yes commissioner yes commissioner pedro williams yes mr chair we have four votes in really one excuse the motion is carried thank you next item under judgment thank you for your testimony excuse well not quite walk up water

2:32:30 um i'm trying to break to a motion yeah before we do that mr chair just without speaking we also i'd like to make a motion that the 30-day advance notice be waived for the new alaska electric react rate um otherwise they won't be able to implement it on hey i don't know we need to do that in this instance because we're not changing the rate that the tariff remains the same okay i think we can skip well actually it expires and we're putting a new rate in place so in abundance of caution i'll defer the emotion so i i move that the 30-day advance notice be waived for the electrical yeah so i'm sorry i move that the water uh levelized energy adjustments clause the uh be adopted at nine dollars and 53 cents per thousand dollars Okay.

2:33:40 Discussion? Any objections? Any acclimation? Yes. Okay. Move on to docket 672, Walker Customer Service. Any objections, the acclimation? Yes. Okay, move on to docket 672, Walker Customer Service. Thank you.

2:34:37 would you raise your hand please do you solemnly affirm that the testimony and evidence that you're about to give is the truth the whole truth and nothing but the truth does that help you guys thank you please take your polling for the record dionne sinclair um julius will be in chief information officer i'm julius hobain chief information officer information yes hi good afternoon um julius bain chief information officer for water i'll be giving a brief overview of the ami system that was just approved by the board in the february board meeting um so the authority issued a rfp on october 1st 2024 for a replacement of the entire ami system uh the bids were due back on november 22nd um they had a on-site presentation by the short visited vendors on january 20th the week of january 20th um the committee um met and did the final vendor selection in february of 2025 and we had a board presentation and approval in jan in february of 2025 as well um we are currently about to begin the contract negotiations with the vendor the selected vendor um for the rfp

2:36:25 that went out there was a um it was a full replacement of the existing system from everything from the communications to the network to the meters everything the entire replacement um there were seven vendors that um submitted bids um itron honeywell eclara landis and gear census bravan tantalus um of those four were shortlisted um and upon that uh four did the on-site presentations for the committee um the evaluation committee um after the evaluation committee met um the vendors were given a chance to do a best and final offer after that uh the committee met and finalized their selection um they did uh committee did choose itron um as having the most complete um and the most complete bid and the decided and requested that the board approve a contract with itron for their system um this does include um all the installation all the network um everything for its entire turnkey system um the system is a mesh based system um and does have the capabilities of it's a collector and a collector-based mesh system.

2:37:50 The backhaul you have multiple options whether because it's IP-based backhaul so you can do cellular you can do for example if we have an air substation you can connect it to our network and we can use ISP you have very different options for your collector-based backhaul to the system. them. We did include several service level agreements that they were required to comply with for bidding onto the RFP, including extending warranties, extending changeouts. If a certain percentage of meters are failing, they have to not only change them, but also pay for the installation of those meters. That will be in the contract negotiations to finalize number and the amount the cost for changing out those meters um the the total contract that was approved by the boys for the contract not to exceed uh 30 million three hundred and eleven thousand one hundred thirty two dollars um and that um it does include a um slight buffer for the increase in possible tariffs um and increase in inflation for the um you know just location overall um with that you know if there's any specific questions i'm free to answer it thank you sir shall we say i i think mr what they uncovered it all sure so this is a federally funded uh this was approved is is this the type of federally funding one where if you exceed it you you you own the additional costs or yes okay so we have we need to hit this vitron needs to hit this number and this is one of those federal contracts that um is that fema that they may be trying to take the money back given where we are in the federal

2:39:57 administration we're not going to comment but right now for right now we are being advised that the money is still there what's the match percentage two percent is there a limitation on time frame for implementation um so we are right now there's four there's a four-year contract um that gives us um we're hoping to start um have the contract signed to begin in july of this year um there'll be a couple months of ordering equipment getting interfaces done um and we're looking to

start deployment for the the first test site um and we are doing st john first as our test the entire island of st john um there was a few reasons that we chose that you know the geography um there's a high penetration of solar so we'll see that as well so there's a couple things that we want to make sure that we can get right on st john what we'll do is after the st john pilot is done we will stop deploying meters for a month and go through the entire process of getting the data from this field up to the head end on into our billing system going through the entire process of billing with the new system to ensure that there are no issues and it's basically a field acceptance test of the pilot who's responsible for the database management and the it integration of this system so there's two sides of every integration of course i channel have their integration and then we'll have um a contractor for us do the integration new building system for us or is this just integration to the this is integration to the main system yeah question um commissioner laura nichols sams so you said that the process is going to start until in july or june or july who was it uh july july july okay depending on contracts negotiations that's okay yeah it depends on the contract that's what you're thinking um so the grant that we're

2:42:00 receiving from fema to pay for it um we won't know until july whether or not we're going to receive funding or no it's a it's a prudent replacement grant so the money has been um obligated i believe in october of last year um so it's just for us to draw down on it and so we're doing a process now in order to get the negotiations so we're starting to draw down on it already right we've actually received money i believe that we have drawn down for some temporary meters if i'm not mistaken because um the interim measures can also go under this this uh grant okay so um can you just kind of explain to me how does it work with uh was it uh 30 million how how does it work do you just you get it all at once or do you draw down on it you have a schedule of when we can receive payments for this so you normally once the contract is um negotiated we'll know exactly whether it's going to be a milestone payment or whether it's a progress payment um we tend to prefer the progress payment with some vendors like the milestone payment whichever it is once those um metrics are met then um we go ahead and submit uh for the drawdown okay thank you uh rough number so you're going to recover maybe close to 3 000 working meters in the pilot process um i don't know if we still have a meter shortage i know we ordered as part of the um the project the vendor is prior to disposal then i wasn't thinking disposal so

2:43:53 much as redeployment into the other deficient systems where we don't have meters uh while those systems are still using the old am i is that feasible that is feasible um we then just take into the fact that then we have to dispose of it sure is what we're done or is it even necessary because i know we awarded in a bunch of new meters do we no longer need the old stuff if we recover it we're not going to try and recover it okay i'll have to think about that one a bit i have like two more questions yeah i just let me finish with one more the um the capability the the utility has a substantial um non-revenue or non-production non-revenue production no non-production revenue problem particularly in St. Croix um I generally assume that to be theft of services um it's not line loss per se from a from an engineering standpoint does this contract include the tools that will allow us to finally detect yeah they're um anti-theft tools um it's actually interesting the new meters for example even help have tilt meters so if their meters are pulled out of the socket you'll actually get an alert that it has been tilted and um their tamper meters and stuff like that you can actually yeah it's you can actually um put those kinds of alerts to to deal with those kinds of things okay sorry um I need you to explain to me what this mess system is and the second question that I have is if you're going to be doing all of St. John at one time then the other you know afterwards how's that going to interact with your present system how does that work okay um I think the

2:45:39 first one first okay the second one first sorry so what we'll do um so as you know we build on on a route um what we'll do is we'll build a cycle today on the old system and then what we're going to do is begin changing meters tomorrow so that gives us 30 days to get through that cycle on route before we have to do it again so what we'll do is literally stop the building on the old system go through and then the next month they'll actually go through and rebuild on the system so are you saying that it's going to take you 30 days to get through st john um well remember because it's broken down in cycling routes we can do we don't have to do the entire cycle we can do a single route this month or just depend if we haven't got to the deployment um part of the contract yet so we haven't we can't discuss on how they plan to how long they plan in their schedule for that okay yeah but what we will do is as i said we'll take down the we'll build it with the old one and then the following month that cycle and route would be built with the new one and what we're actually doing is we are actually going to stand up a new um instance of what we call the media database management that's used for the billing so we are not migrating any of the old data from the existing system to the new one so we'll start fresh with clean data coming in from the new system is that going to create gaps in people's billing it shouldn't no it would be equivalent to a um swapping a meter in the field you gotta believe idron has done this before in other upgrades in other locations right oh sorry forgot about that um so the mesh works um so what they did or all companies all the vendors would have done what they call a propagation study they figure out where each meter is so we give them coordinates for each meter and they're gonna put their towers in places or their collectors in places pick up those meters um most meters or i don't want to say most but a lot of meters will be meter to collector well let's say a meter doesn't

- 2:47:35 have a line of sight to the collector let's say you're a meter i can send my signal to you and then you can talk up to the collector so it um it basically finds the best path back to the collector okay thank you um is it one person's position that your contract agreement with itron is subject to PSC approval the agreement itself yes the contract well the contract is subject to board I'm sorry it's subject to board approval in terms of the board you're talking about WAPA board the WAPA board the WAPA board has to approve any contract valued at a certain amount for WAPA it has to in terms of regulatory approval anything that's being sought in rates we also come to the psc for that um i don't know where we are with respect to that i think bill has to discuss that internally but certainly all agreements are public we will share it with the psc we will share it with the public it goes on our website this is not a secret at all Okay, I'm not clear what your response is. So are you saying to me at this point, you don't know whether this agreement with VITRON has anything to do with rates or tracking rates?
- 2:49:08 what i'm saying to you is when the authority seeks anything in rates it comes to the psc when the authority is is executing an agreement or wanting to know whether that agreement can go forward that must go through the governing board for the authority that's that's a statutory basis i understand i'm not concerned about your board's approval process all i'm trying to determine is whether or not there's anything in this contract or potential contract that will affect rate and therefore it'll be subject to the psc's approval so there's no this is a replacement it's a grant funded project okay and that's all i'm trying to show you chair raises an important question because historically we only have rate authority and so that's a reasonable position to take because it's not related to rates and it doesn't involve the pfc that's no longer the case we technically have full authority to regulate the utility so for instance the efficacy of this project whether or not it's a good idea this commission could speak to that and tell you not to do this project we could i'm not saying we would or even want to so we probably need to have some discussion amongst you guys about a mechanism by which when you're doing major contracts and i think it's for the protection of the utility as well you include in their that subject to at the original request of its approval it wouldn't kick in in every case but our authority extends well beyond rate related uh issues so if we were to say hey we'd like you to bring that contract for approval you would need to do so it's common in the united states when new technologies are adopted that the public services commissions speak to the need for those in their community so you know ddr uh distributed energy resources
- 2:51:07 battery deployment all those things even if they're not paid for by rates they fall under the jurisdiction of of commissions and they do technically in this case as well i'm not saying we want to be involved in those discussions i'm just saying we could be and it's probably a good point of discussion given the new the new authorities of the commission granted to us two years ago that we get that question on the table for you miss sinclair and for our general council as well and and we all understand the guidelines by which we're going to work it's not as simple as if you don't have to because it's not in rates well hold on hold on hold on and that's where i was going with this although i wasn't getting there quickly enough is is that i don't believe that organization is simply limited to rate so but i was asking the question in secret um because i knew that was going to be the response um so it's our position that we should have a copy of the contract i mean we should be involved in those discussions um you know to to whatever extent and level and maybe again that's a conversation we need to have but it applies to this contract and every other contract um yeah i think i think respectfully the authority is well aware of the changes to the statute right i i think the wholesale um need for approval and guidance beyond or instead of the governing board is probably something that we take a different it wasn't instead of your board's approval until it's probably in addition to yes so i i believe that we are all aware of the changes to the statutes and perhaps our interpretation may differ so we can maybe have discussions internally or externally with your council
- 2:53:02 and see that we come to uh an agreement for the best steps going forward I have one question, but I don't know if this has jumped into the agenda. Just out of curiosity to director Knight, and I guess you can answer it from there. What we're seeing with the federal dollars that are supposedly slated to get put an entire rebuild of the temporary operation, what's the sense that you have? Are there security of getting that money still or has there been any discussion or anything to lock that down?
- 2:53:57 i'm still pretty confident carl knight ceo i'm still pretty confident about our ability to access those funds i haven't seen anything that suggests otherwise um having said that the approaches of the current administration have been unconventional so i do have these funds are obligated um so not only was there a protracted negotiation with fema to arrive at a fixed cost offer that was presented we accepted the offer they obligated the funds and in up until january of this year that will have been about as secure as you can i have a as a pledge from the federal government the unprecedented access to the treasury payment system that basically said when i come to draw the funds as attorney sinclair explained that you would block us from being able to draw down those funds well that's that's never been done in the history of the country so um i have an ironclad obligated funds i have a fixed cost offer that we've signed off on legally i think there's no the federal government isn't in a position to deny us access to the funds but at the same time they have taken a very unconventional route of just cutting off treasury's ability to cut the check or wire the funds to the accounts which should

be wired to that is some new territory for all of us what now whether this project falls into some category that is under additional scrutiny i don't believe it is although fema is being studied um i i should point out i should point out that um we're not the only jurisdiction that has disaster recovery funding there was a recent wild wildfires in california they have a lot of funds tied up there most of the east coast that's been hit by a storm over the last several years so we wouldn't be the only jurisdiction that falls into this category that's just very good because i mean the community is like i'm finally going to get something valuable and then i'll keep my fingers crossed

2:56:08 what what does your board approve isn't it like a draft contract that's provided when you present this to your board or what do you give them we're not at that stage yet so the stage we were at um at the february board meeting was the rfp had been concluded the proposals had been um reviewed the short list presentations had been conducted and then the best and final offers had happened so following that the evaluation committee sat down they went through you know a study of all these things that came in and then they did their assessment and that was presented to the board for you know approval and disapproval of the selected vendor so that is that is where we are now so we have the selective vendor and now we go into negotiations we do have you know parameters set by the proposals and what we requested um in the rfp to start the negotiations but you know once that is done and we are into the the drafting then the board will get a copy of a further agreement and you anticipate it's going to take you five months to negotiate this contract i i hope not but i will say you know we do have consultants with this and apparently they've done this before and it could take quite some time so yeah that's march so two two months two to three months thank you

2:57:55 yeah we didn't even go to names um they just jumped in jumped in this one i really appreciate that we aren't going to be using a lot of our local funding to pay for this very needed revamping of the ami system because that's what it is now we are still going to use the same vendor that we have so many challenges with before because we are i think i saw something somewhere that there was that misinformation that been spreading and this was a competitive bidding process yes um so the vendor is actually a different vendor the previous contract was with tantalus um this current contract was itron now i think where the confusion came up is tantalus used itron meters for their the meters that they used and put their communication module line in it i this contract and yes it was competitive but we did receive seven different bins um and they are using a complete itron solution so the meter the communication the network everything will be i tried from the same vendor okay so you don't have different vendors right and that is very i mean just okay uh if you want and if the chair would allow okay give me one second let me just while he's doing that i wanted to compliment the authority for its bid process in this particular contract you were able to attack the trend potential so far as i can tell every major event every major and that's rare for us not a lot of people necessarily that want to come down here and work for the the virgin islands um you guys are to be complimented on a full and completed process so okay so itron has been providing uh ai meters for over 30 years okay um they're partnering um to do the actual physical install of the meters um with a company called texas meter and device management you're talking a little fast sorry go

3:00:04 ahead so they're partnering with um tmd which is texas texas meter and uh device company who has been deploying um these types of systems for more than 15 years um i know they also have a similar system in um jamaica with over 100 000 meters uh they're currently deploying in st kids um the same system but they are using a clara meter a clara meters um and on this current technology the one that we will receive they have over 10 million meters deployed okay so you're saying that itron will begin the whole rollout by july that's what you're saying we hope that a contract how much you you're hoping to have the contract finalized and there's the notice of receipt in july okay now um did you state how much the full contract amount was um it was 30 million 311 000 but that does include a small um buffer for the tariffs and contingency for tariffs and stuff like that okay and does it include mobility costs as well the mobilization um we haven't um negotiated the contract yet so we don't know how what their their milestones okay i don't want you to reveal anything that you can't okay what would the overall contract um i'm tired of hearing at the legislative and you know that uh they can't the person who entity who bid is they have overbid of the amount that we can afford and so i'm sometimes a little bit getting a little bit caution with my questioning and because i think sometimes we let the potential vendors or bidders know how much money we have and so they will bid to that money then we we we are going to not be in a position to get any vendor

3:01:55 we have to send it out to bid and it just prolongs the whole process okay now you have how much of have you paid them anything yet no we don't have the contract yet so okay so you don't have the contractors yet how many persons uh or homes do you think uh are going to be affected um so the and this is just this is just electrical and this is this is no this is only electrical okay so the project is for the entire the entire territory so all 55 whatever the number is just today but the 55 000 customers okay and i know you haven't fully negotiated everything but they had to in their bid package provide you with a time frame that they anticipate that the project will end so in phases we have um several different proposals um for deployment of 12 months for the media deploy of 12 months 18 months 24 months um within the final contract negotiation we determine which is the best path okay because you're going to also as you start to deploy and the faster

you deploy any problems that come up you have to customer service will become overrun if there's an issue with an account you have to make sure all of that goes to the entire process so you know we want to move fast but we also want to do it in a way that's very methodical and we make sure that we are you know hitting all the right points that we need to okay thank you i think i got enough notes so that when july comes and this contract or august comes and this contract is not in place then i know because i just say copias i don't rely on um the the recordings i just rely on my notes in my little notebook all right thank you yeah this is

3:03:45 commissioner lara nichols sands so you said the warranty period was what four years um we required six six years okay so what happens if the installation of these new meters go past the amount of time allotted do we move that warranty period down more um that's also would be done in the in the contract negotiations yeah they're also on what we have to take into consideration um i mean my opinion is the date it's installed is when it um starts the warranty period but that's me i mean i think it should be when the whole island is when all the islands or maybe not but i just you know i just see things just dragging on and we're going past and then we're losing this warranty that well we also have some additional substantial completion we um we also have some additional items in the contract where if a certain amount of meters fail um that we required in the rfp if a certain amount of meters fail in a quarter for example that they have to replace meter as well as patrons so and that period is for 10 years okay okay thank you all right thank you for the presentation appreciate it good luck with your country good afternoon commissioners directors and members of the public services commission this is jason levesco here can you hear me okay yes i'm also joined by our ceo dan levin fantastic um so thank you for um allowing us the floor um it certainly was very interesting to

3:05:52 listen to what Waste Management Authority have to say with their challenges and also listening to WAPA's challenges as well. And I believe that you will be talking to a solar company next as well. So the main message here is the fact that AST or Advanced Sustainable Technologies is in fact the complementary technology for all of the challenges that we've just heard and are about to hear from the aspect of providing fuel to generate power from waste that frees up land for potential solar generation so i did visit um in the second half of february where i i met uh director satori uh miss jenny and mr sean and also engineer uh jamil but i in all of my visit i realized that there are a lot of questions about um our project so i took i would like to take this opportunity to take some time just to refresh everybody as as to the project the why the what and the how of this activity so if i'm allowed i can share my screen um i'm not sure who is uh controlling the let's give us a minute okay Okay, so the problem is essentially, as we learned from Mr. Griffith in our conversations with him, is the cost of transporting waste from St. John's, as an example, is very much

3:08:06 can you start and start again please uh sure let me unshare and hold on one second it does not seem to be cooperating to just hit stop sharing ah i see yeah sorry i'm not the teams rather than zoom hold on a sec okay Okay, there you go.

3:09:10 Fantastic. Okay, as we discovered with our conversations with Mr. Griffith, just shy of \$3 million is the cost of moving waste from St. John onto St. Thomas that goes into the landfill. And I'll talk about the condition of the landfill in a minute. If we were able to turn that waste into electricity, this would be an upward swing of a renewable source of energy of roughly around \$1.5 million. The current disadvantages of waste treatments that we're doing today is they're not cost effective. They waste land that could otherwise be used for other purposes, such as generating solar power. As we saw in the St. Thomas landfill, there is a significant amount of soil contamination and leakage into the mangrove lagoon adjacent to the landfill, as well as the fact that the landfill itself is still on fire internally, which is causing somewhat of an air pollution problem.

3:10:23 This is some of the pictures of what I took during the visit. Most of it is the St. John Transfer Area, looking at the public services land, which is directly under Mr. Chesney's guest house. To the right of this picture is Ms. Kelly's recycling facility, as well as some of the roll-on roll-off boxes that collect the waste. And some of it is transported to the transfer area and others is transferred to the dock it's transported to St. Thomas. Some pictures of the St. Thomas landfill as well, which is, as you can see, the eternal landfill fire was to the right of where I took this picture and the mangrove lagoon next door. So, the solution. Essentially, we can turn all waste into a valuable source either energy or beneficial reuse products in an environmentally sustainable and responsible manner as the commissioner mentioned not a lot of people like to come to the islands particularly because the large companies that deal with waste either through incineration to energy or otherwise this is not scaled down enough for them to be able to come to the islands whereas our technology is not only low cost but it also is adaptable to scale down and to scale up dependent on the consummation of the or the waste material available also So our technology is essentially running 24 seven.

3:12:16 We have the ability to energy time shift so that in peak demand, we can meet that demand, but in lower demand areas during the evening, night, et cetera, we're able to generate other energy sources, either in liquid fuels or in heat to be tapped into when we reach peak demand again. Here is an outline of the first pass of the system that we intend to put in place in St John. It is of substantially low footprint. This is approximately 11,000 square feet but we would probably need

a little bit more than that area for inroads and outroads of trucks bringing in the waste material. Essentially this is a combination of technologies that already exist today and are proven today but are of as i mentioned significantly scaled down to actually suit the needs of either st john st thomas or st croix there are other aspects in this in terms of emissions controls which i'll talk about but effectively the hotter the temperature that we can create through either pyrolysis or syngas conditioning within side plasma chambers The direct application of heat results in cleaner syngas that we can actually use in a syngas turbine to generate electricity and push it to the grid.

3:13:49 Other ways are, of course, as we know, we can recover the residual heat that we've created to push through a steam turbine to generate power that way. And the third one is of any residual hydrogen that we can pull off of the syngas waste stream, we can push through a hydrogen fuel cell to also generate power. Essentially zero waste where all of the emissions are used to recycle themselves within the system and collect them. Of course, there is a vitrified material that comes off of this. there is always going to be a waste stream which is going to be of significant toxic value but our technology vitrifies it and encapsulates it in amorphous materials that can be made into aggregate for spreading on rows where everything is locked in and the toxin toxins can no longer escape um so in a nutshell it's clean energy beneficial reuse products um and we can also um recycle metals as well but obviously um i'm going to come to this in a second but um the more that we can recycle ahead of the unit especially in terms of metals the more beneficial it would be which ties into the recycling plant next door with when on my visit i reached out to the community there were a lot of questions about air quality and what our emissions would be so essentially we would comply with all epa standards zero emissions and of course there would be an environmentalist impact assessment of the site before and after and during operations of the of the site as i mentioned we don't produce any hazardous compounds as a result of our operation and technology

3:15:57 just to reiterate the point about vitrification of materials that are basically encapsulated into a molten material molten lava essentially and then as they're cooled they're turned into amorphous materials that you can spread onto roads so everything is completely recycled just as an example st john's is going to create around eight and a half thousand megawatts per year and megawatt hours a year um and i was asked this question by members of the psc during my visit we would be accretive to the local community in terms of jobs And obviously there are some overlaps between Waste Management Authority and what we would be doing. So there would be a complementary effort in terms of movement of those skills into our facility to accommodate those positions, actually as a zero impact in terms of resources.

3:16:57 resources. Many of the community that I spoke to, one of the particular things they mentioned was when they wanted to transfer from St. John to St. Thomas, they were often kicked off of the ferries because of the roll-on roll-off boxes that took priority over them. So this would completely eliminate their issues that they would have as we would be essentially all of the waste on St. John's. The savings I've mentioned before and in terms of production of equivalent energy or liquid energy is roughly around about 6,000 barrels that we can generate of which some can be fed back into WAPA's need for fuel in their generators as I was to their issues with their generators and their fuel pumps. So capturing the CO2 both on the front end and the back end because we can actually capture the CO2 on the back end and produce dry ice which can be pushed to the food industry for storage of produce. So there is a component of carbon capture of which within our financial model we benefit from.

3:18:26 So I hope that sort of gives everyone a refresher in terms of why we're doing this, what we have in terms of technology and how we intend to implement it. St. John is the first proof of concept site. It's small scale, obviously, compared to what St. Thomas and St. Croix need. That was the starting point and the strategy behind starting in St. John. So currently we have a draft PPA agreement with WAPA in place and we're pending a finalization discussion with Ms. Sinclair and Mr. Knight as well, of which we are in discussions with after this this meeting we will further the discussions around finalizing that document and as it says here everything in that document triggers everything else in terms of having the necessary permissions and licenses to use the land that belongs to Public Works for example if that is indeed the accepted place that we would set up the facility. We have liaised with Senator Ángel Volquez and Governor's Representative Ms. Shakima Sprave at St. John. Both of them were very, very receptive around the story of what we intend to do and how this is going to alleviate many challenges that they have. So we have sent out an RFQ to several engineering companies on the islands to respond to to do not only engineering but also to be used for acquiring all of those licenses and permits

3:20:22 that we need once the PPA has been finalized. also engaged and we really appreciate the help that we received from Waste Management Authority. They were very open and transparent allowing us to visit the St. John's area and also the St. Thomas landfill and we were openly discussing all of the challenges of the landfill and the fact that it needs to be saved as quickly as we possibly can, which somewhat, in a way, accelerates what we're doing at St. John due to the urgency of the situation on St. Thomas.

3:21:08 There is leachate entering into the Mangrove Lagoon, and I would say that the situation is critical. on a call with Mr. Griffith also he mentioned that St. Croix will also be closing its landfill in the next two years and they're actually actively

looking for a second site which also accelerates the purpose of what we're trying to do here. In our last meeting you encouraged me to reach out to the community. I met with the group at Love City Strong, Director Megan Enright and her team, and I basically stood on up a soapbox and pitched the same story that you've heard here, and they were very enthused about what they had to hear and very encouraged. I also met with Miss Kelly McKinney at Island Green Living, the recycling center adjacent to where we intend to put our facility. She had a lot of questions and she formalized those questions of which we have responded to. I haven't had any feedback from her, but there is definitely, I would say, some complimentary activities that Island Green Living Recycling Center does alongside what we would do at the energy from waste facility at St. John.

3:22:48 So our vision is to change the paradigm, essentially, starting on the U.S. Virgin Islands. This is very much a problem that every island in the world faces. lack land they lack a place to put their waste and they also have a power problem as well so this essentially kills multiple birds with one stone and starting on the u.s virgin islands where we are fully funding this project we're not asking for any government funding this is either financed by private equity and financing and essentially we're selling power. Everything else for St. John is internal to us that we generate beneficial reuse to improve the economics as I mentioned as a proof of concept before we scale it up to St. John and St. Croix. So that's it in a nutshell. that's where we are i know that um director satori you you mentioned when we have the ppa in place and signed off that we would need regulatory approval for that and of course we will strive to get that in place before the next meeting uh any questions thank you for your presentation commissioner sounds hi i'm commissioner laura nichols sams when you talk about the environmental assessment if i if my understanding is correct when you or someone spoke with us before um the system is going to be built in florida right and then shift here am i correct part of the equipment uh will come from florida um in fact many components will come from generally the usa we are actually embarking on the quest for quotations on ancillary equipment um as well but predominantly the the equipment will be coming from the usa uh however they will have to compete with um other bidders that are out there so that we get the optimized cost structure okay because

3:25:06 i i think what my understanding was before and it's been a while is that the um item will be built in florida and you do testing there before you bring it to saint john is that still the case or am i incorrect in understanding that i think that i would say that that is one of the options that uh that equipment is already um built uh it will be need to be modified to suit this application as it has been used in an application for a waste stream that is in fact a lot worse than municipal waste. I would say that it's an option at this point in time and there are other options out there of differing technologies that can also be an option. So are you saying that the environmental assessment and testing isn't going to be done in Florida, it's going to be done on site in st john now is that what we're saying yes ma'am may i might i interject an environmental assessment would require actually both where the equipment is and on the site in st john it would not be a one or the other it would wherever the equipment is they need to look at that equipment and the site itself has to be evaluated and then the modeling of the emissions and operations would be based on the site conditions what about testing of the equipment that's not an environmental assessment question that's a testing right i asked for both actually but the testing i'll let him address that that's yeah sorry to to jump in uh dan levin ceo of st group um just about that specific question that all the system parts will be tested prior to them actually be shipping on site if i got the question correctly so we're going to test all uh parts of the system beforehand before actually shipping it to the site uh at the site there will be the the actual assembly of the of the unit and as you you said correctly we'll have to do the environmental assessment at the site as well so part of it will be prior to it and the the finalization obviously will be at the site as a custom okay because that's concerning

3:27:32 to me because where our um landfill is um you've got less than a mile you've got people living near schools hospital or clinic all that so that that just really concerns me um the second question i have you mentioned employment um you know jobs how many jobs are we talking are you all providing training for these jobs what what are we talking about yes so we we expect to provide the between five to ten full-time jobs obviously including the training required for that and all the knowledge base that will teach yeah and those are sorry those are direct jobs Of course, there will be an indirect impact in terms of clearing of the site at St. John's and building of the facility, albeit that they are temporary, but they are an infusion into the resources required for building out the site as well.

3:28:45 How many people will you guys actually have on site and for how long? During the build phase or the operational phase? um the build phase and the operational phase uh dan do you want to have a stand yeah i i think i i'm assuming including all the third party uh contractors we estimate between 15 to 20 part-time employees involved with the construction on site and at the operation itself between roughly around 10 personnel, some of which will be outsourced, most of it will be local. And you're going to be selling your power back to WAPA and at what rate?

- 3:29:44 that's not been determined as yet that's part of the negotiations of a power purchase agreement okay then that's all i have thank you i would suggest commissioner that we set the rate with power purchase agreements um no uh no tipping fee to waste management why yeah why did you ask why yeah why no tipping fee it would be a traditional approach to waste reduction to take a tipping fee you are in fact saving waste management a substantial amount of money just in transportation not to mention landfill disposal right um so first of all because we're talking about a fairly small capacity of waste. That tipping fee, while it will be a hurdle for the Waste Management Authority, it won't suffice plenty of income to our financial model. The financial model is based mainly on selling the output, the electricity and the carbon reduction that we'll be managing to achieve we feel that it will be beneficial to the community and to the government and to the waste management authority if we don't take tipping fee especially for the first project where we intend to come and showcase our abilities in solving the waste issue and doing so by reducing the cost for everyone involved so we try to reduce both the waste management authorities a cost of waste treatment and also reduce the cost of electricity production for WAPA meaning that when we're negotiating with WAPA we aim to set a price that will include savings for them compared to actual production
- 3:31:52 yeah and and the uh the variable cost of production are pretty much what we did we we call liac here on the island um i'm familiar with both paralysis and the plasma technologies that seem to be uh the heart of this system um i would be a little careful in if you want to give us a discount in the pilot project and tipping fees that's fine um we'll take it but i still don't understand the business model because it can't it certainly cannot be the very nominal amount of power that's coming off this it's effectively a one megawatt generator and it's 25 tons of municipal waste per day i don't know 50 bucks a ton for but what is this this carbon reduction financial component that you you're speaking of is this a is this an environmental credit that you can market or yeah so it's a little bit more tell us a little bit more about your business model because there's no sense in this community inviting in this technology if it's not financially sustainable yeah of course so obviously we're working with uh um large-scale accountants to build our financial models and validate everything so the majority of the financial structure for this project is mainly based on credits that we'll get both for the carbon that we mitigate from our operation and also incentives that we get from the government by implementing our type of technologies in environmentally beneficial projects so most of the investments that we'll be making will return to us by this combination of benefits and credits and selling the electricity at relatively low cost for in comparison to the Virgin Islands production cost, but it's still relatively a good price price schedule. So we can work around that and make the whole financial structure work with agreeable returns and our investors and the financial structure that we already implemented. And I want to reiterate what we already told you that the financial structure for all the projects not just st john but also the follow-through projects have already been completed so we have the financial backing to implement all the projects um and we expect a fairly good returns on that without taking tipping fees can i ask that you submit uh and you're
- 3:35:00 you're welcome to do it under request for confidentiality that i expect to include honor i'd like you to submit your business model to our general council for review um it's very painful to get a project done in the virgin islands it's going to be painful for you it's painful for us painful for the community it's just a difficult thing to accomplish down here and i i frankly just don't want to go through it unless i know that you are going to be around for a while um i want to do this so that you can demonstrate a pilot project for six months and then leave because it wasn't financially feasible um we wanted to solve a problem not not just create a resume entry for your company that you can then go use for more highly toxic or more expensive waste streams um so i i'd like to see the financial model please so i'm less concerned with the environmental impacts because i think there are people around who who take care of watching for those things i am concerned for your financial liability no problem we'll share a our financial model thank you um commissioner laura nichols sams you mentioned um one of the ways that you guys are going to get paid is incentives from government are you talking about federal government you're talking about our government and can you elaborate on that please thank you yeah so the i'm speaking about the federal government as i said we don't require any um budgeting for coming from the municipality itself um there is a part of the inflation reduction act that we comply with with this project and will be eligible for uh some of the credits that are due in our type of projects to recuperate some of our investments that's why we're capable of investing fairly a large sum but still the financial model works as we'll share with you
- 3:37:05 speaking about those federal credits given the current environment do you anticipate that they're still going to be applicable yes available yes we we don't see currently we don't see any foreseeable changes in the specific credits that we apply to um also we we already aligned ourselves with the relevant entities that can expedite on on those issues okay i know you mentioned it jason i believe his name mentioned it in the initial presentation but i'm not clear what is the status of your negotiation of wapa for ppa um how far along are you is that 50 80 90 complete can you give me a better idea so in our eyes we're 90 but obviously wapa needs to answer that as well and we're ready to sign the draft that we already have in place obviously to do that we need to finalize the negotiations with wapa and get their agreements and present it to the psc as well for your approval but currently we feel like we have an understanding between between ourselves we

just need to sit down and and come to the agreement it can happen in one conversation or maybe three or four hopefully it doesn't take long but we feel like we're at the final stages but having said that i would assume that if you're 90 at least in your opinion completed that there's got to be a number in this at least draft or proposed agreement am i correct yes there there is a number that we're we're negotiating with the

3:38:56 wapa we still wait for their confirmation on that number that's basically the the major issue that we need to decide upon so i'm going to get into it but i thought in the previous response there was an indication at least we're led to believe that um there was no number but what again is the status of your of your lease agreement with waste management authority and a supply agreement um so on on that we we feel like we are a little uh more behind you can say but uh the optimistic view of that stance is that from the waste management authority we require no actual payments so we hope that the waste supply because we don't ask for tipping fees, the waste supply will be drafted and signed expeditedly. Regarding the land lease, initially we thought about building the facility at the transfer station itself, meaning under waste management land. But after Jason's last visit, we feel like we have a better area just just adjacent to that transfer station and that area specifically belongs to the public works so we'll need to engage with them to secure the land lease yeah just to add just to add to that what dan said um logistically as we're building out the facility to go in place we can't uh get in the way of uh ongoing operations that waste management will need to transition from the transfer site to our facility so that's why that other area which is actually belongs to

3:41:08 public works as um ms shakima pointed out to me um is actually directly underneath the road um and aesthetically out the way so we wouldn't be sticking out we would be tucked into the hillside um with on and off capability into the road so for many reasons it's mostly logistical it makes sense let me ask specifically is there a draft agreement between ast and the government of the birds of valid for the lease of the band yes no not at this point that's prescribed in the in the ppa that uh once the ppa is signed it triggers um department of um natural uh property and natural resources yeah exactly all right thank you i don't if i wasn't in here for senator carl and joseph i don't have any questions at this time uh as i wasn't here for your full presentation so i'm not going to be able to ask you an improving questions all right thank you i thank you for your presentation we appreciate it um just tell me your excuse thank you thank you have a great day okay we'll move to the last item on our agenda document 685 via electron

3:42:56 good afternoon christian loranger let me just pull my camera up here good afternoon commissioners and senators christian loranger from by electron can you hear me okay yes we can hear you okay so are you driving i i am sir i was uh i was working on it for the fortuna site today and i just jumped in my truck and put on a clean shirt but then you're not actively driving you're pulled off on the side i happen to be pulled over now but yes i do zoom and drive sometimes i know that's terrible it's not a good idea but you can actually raise your right hand to be sworn do you solemnly affirm that the testimony and the evidence that you are about to give is the truth the whole truth and nothing but the truth to help you guys i do today i'd like to give you an update on the solar projects uh that we have in the virgin islands i'll start with the petronella um we have been running uh since uh november um we we connected to the grid uh turned on test power uh for the first couple weeks and then started ramping up uh in december we put out uh eight uh 862 000 kilowatt hours in january we put out 1 million 250 000 kilowatt hours and now in february we put out 1 million seven hundred and ten thousand kilowatt hours so we are ramping up we've been

3:44:52 averaging about nine to ten megawatts of output during the day the two batteries have been very active in in in cleaning the power up that we have running through our facility as well as our inverters have also been cleaning up power and in in our from the data that we've seen uh we have kept on circuits 2a and 3a we have kept we have reduced the number of outages on those circuits uh greatly since these projects have come into being uh i guess what we should do is take it uh project by project or do you want me to go through all the projects and you can ask questions at the end just do project by project okay are there any questions on petronella at this point you mentioned a figure of nine to ten megawatts is that nine to ten megawatts per hour or per day per hour sir and what's the size of the battery bank ac equivalent size of the bank output we're at 1.8 megawatts per hour each battery although we are working on changing that we are working with Honeywell to ramp that up above that 1.8 and get it closer to the four megawatt output duration duration would be one hour but we want the ability to put in a lot more power from the lesser batteries that we have there we're looking at the possibility of being able to put more power in from those two batteries in a shorter span of time next project next project is slogan sport where we were complete other than um testing circuits and things of that nature uh we're ready to we've connected on december 30th 2024 into the whopper grid uh i went down personally and upgraded 800 feet of uh interconnection uh down the side of of of the road where the project is located on to the interconnection point for wapa we also did uh wapa's upgrade uh up the street getting them back up to where the composite foals started from Centerline Highway Queen the Queen's Highway all the way back up past the

- 3:47:30 project we interconnected like I said on December 30th at 200 kilowatts and we are ready to increase our power output to we in the next two weeks will increase to two megawatts two weeks after that will be six megawatts and working our way up from there so I know we heard before someone saying third order that's that's not accurate we're ramping up now we would be exporting more power right now however we have a as in this business it's it's somewhat difficult to get the exact parts that you need at all times the meter that we put in place to get the power into the system was a meter that was embedded in the high voltage cabinet WAPA feels as though having the meter inside that we only have one meter as well we need to have two meters we know this but we were only able to get one functional meter at the time what they've asked us to do they've given us a list of items to increase our power output to two megawatts and in that list the major component is getting the two meters exterior to the metering cabinet where the high voltage is we had ordered these meters several months ago like eight months ago they were finally shipped from Washington State and they'll be arriving and hopefully in the next week we can install them very quickly and then we'll be exporting two megawatts immediately and then like I said stepping up to six megawatts and on up looking to get up to ten very quickly and then hopefully 12 megawatts very soon Again, the planned battery capacities and discharge rates?
- 3:49:18 Those batteries are 5.6 megawatt hours per battery. Discharge rates are 2.1 megawatt hours, 2.1 megawatts per battery per hour, so that would be 8.4 megawatts total with the four batteries that are located at that site. is your time frame for getting the power to wapa so so we would like to increase to two megawatts in the next two weeks that's our plan as soon as we have those meters wapa has said that once we have those meters installed in their exterior to the high voltage case that we can that we can export two megawatts and then from there we'll start bringing the batteries on and ramp up the power much as we did in petronella in short order well define short order when would you get what what is it to 10 or six so so we feel we can be to six within four weeks have you issued any bills to wapa yet for power produced out of petronella we have when um well that's a that's an interesting question so we had issued uh bills for december january and february uh however for internal reasons we uh we reissued a new bill all three uh invoices contained in one and we called the other bills that we turned in uh um basically uh examples of invoices and the reason that we did that is to keep wapa so that they're not in arrears on their payments uh as as that would affect um some of my uh business concerns going forward so we we've turned in three bills um we have uh and we are we are anticipating uh payment on those bills when did you turn in the consolidated bill um march 1st okay i'm just going to speculate that you haven't received any payment yet we have not received uh we've not received payment yet and uh
- 3:51:44 pay that payment is necessary for closing the financing on the fortuna project which we've already started as i said i've been up there this morning so we're currently clearing out there and we are currently uh purchasing the materials for that site uh and working around the steel tariffs etc so uh before we can get uh too much further on for tuna we will need to be paid for those invoices so that we can close financing it's a requirement of any new financing that we are paid up to snuff on existing our purchase agreements thanks next up is fortuna um so we have received a we received a clearing permit and fencing permit for that site uh we will then be uh we'll have carlos the archaeologist coming in that's our last uh study it's very very dense there um very dense so as soon as we have some more cleared out there they'll come in do the archaeological work and we'll put in for full uh major earth change permit and uh and solar wrecking solar so but we are currently clearing over there now next up will be Bovoni as soon as we start getting piles into the Fortuna site which arrive in six weeks we also have purchased the piles for the Bovoni site and we will start putting we'll get everything that we cleared over there is already kind of grown back and not as dense but has grown in a bit so we'll get back over there clear that out and then start placing
- 3:53:35 piles on the bovoni site i'm going to try and overlap these two projects the size of the the um fortuna project is 45 megawatts dc with a 25 megawatt uh ac interconnect directly back to the harley substation so what uh 45 megawatts dc and the dc batteries what you're you're going to need some place to put the extra power right that's correct what's the size of the battery bank that's planned so these are a new technology a newer technology battery it's a it's a smaller structural battery we're looking for 10 10 5 megawatt hour batteries at uh at fortuna and two ten two five megawatt hour batteries at bovoni can you say that again yes uh so i don't know how far back the the capacity of the batteries and where they're okay so the batteries at fortuna will be five megawatt batteries each there will be 10 batteries at that site the bovoni site will have two five megawatt hour batteries at that site both of those projects will connect at 35 kw kva rather and what's the discharge capability of the 60 megawatts hours uh so those batteries are going to be special they're going to discharge almost full value so that we'll have the ability to discharge the almost the entire
- 3:55:29 battery's power within that one hour one hour if we need to so that we'll be able to maintain we'll have the ability to maintain that 25 megawatts even if even if the bat even if the sun was completely out we'd have the ability to put that power back in over that two hours not that we would need to do that very often but we we feel as though that's something that we should have the capability to do and watch it time for it okay you said these were new technology batteries are these these lithium batteries or what do you mean by new technology batteries they are it's a it's i i can't pretend to know

the details of of these as well as i know the lithium batteries it's still a lithium base but there's a different component to it the the batteries that we that we currently have that are 4.6 megawatt hours they come in a 40 foot shipping container and they weigh about 130 000 pounds once fully loaded these new batteries are in a 20 in in the size of a 20 foot shipping container so half the size they have more power density in them and they have uh less fall off so there's less breakdown of the battery with cyclical charge and discharge as well as less as well as less loss and what's the time for bringing each of these projects so we want to have a a major portion of the fortuna project on before the end of the year Bavoni will drift into next year.

3:57:05 Thank you. St. John, we continue on with our with our legal battle there. However, I do see some glimmers of hope and I do have a backup property as well that I have as a backup if needed. Although all of my engineering and everything that we've already done is for the initial site. And that's why we're and. I can't say much more than that, but that's what we're that's why we're concentrating on that initial site so strongly. So we won't be there until 2026 into St. John, but. uh but we will be out of bovonni and uh and fortuna in full i would say by midway 2026 will be complete with both of those probably end of first quarter uh mr granger thank you uh for all that you're doing um i do have just maybe two questions for you uh are you looking at acquiring or have you acquired any uh additional property in st croix at estate adventure uh so i know i you you've quizzed me here i i know the estates pretty well adventure i don't know but i do have additional property that we were we were hopeful to get a power purchase agreement on years ago we've done all the engineering on it the interconnection studies etc it just never got signed with the remainder of the power purchase agreements it's uh it's located in frederickstead uh basically at the end of centerline highway it is i i'm not sure where adventure is located is that adventure okay so i have a crucian beside me and she's saying no that's not in this big adventure adventure okay adventure is across

3:59:11 from the ag lands off of queen mary um it's it's a site that was identified by wapa five or six years ago for a big microgrid project that they were going to do i thought that it was government land that that was already available to us they cleared it i don't know it's but yeah it was a planned wapa deployment for about a 15 megawatt field well we've we've taken a lot of that we've taken a lot of that capacity or i would say we've taken all of that capacity with the hogan's board project okay and you've already connected i'm sorry mr granger you've already connected with the hogan's board project to what was grit that's what you're you indicated and represented okay Okay. My next question is, are you anticipating or is WAPA, because my question is really geared towards your backup battery capacity, so when we have sun cover, those batteries were purchased by WAPA, correct? No, those batteries were purchased by us. WAPA leases those batteries. Okay, so WAPA leases those batteries. Are you anticipating purchasing additional batteries for the current solar farms that you have operating? so i i i'm i'm willing to do that however i in working with uh ceo knight and conversations that we've had he does have some federal funds for batteries and so we're looking at the possibility of um of additional batteries being placed on uh on the land with the solar site those batteries would be wappas so that there would be no additional cost to wappa but the benefit would come from using that lower price solar power to charge the battery as you know when you charge and discharge a battery you lose about 14 round trip so my mantra has always been that it's better to charge directly from our solar site at 10.9 cents and have that be the line loss of 14 when

4:01:34 you take the power back out of the battery into the grid rather than using wap as power from fossil generation and charging the batteries with that and then taking a 14 line loss on top of that i don't say line loss but lots a round-trip loss from charge and discharge from the dc to the ac conversion so i i i very much eager to talk further with ceo smith about um you know batteries okay so oh did i say ceo smith i met ceo night you surely did okay so i i have i wanted to know and i still didn't get from you those backup those batteries are they planned i'm not looking at lavoni and st john and fortuna that you have currently in the planning to launch and have installed by 2026 and and the latter but are those backup batteries also planned for sites that you currently have solar power uh panels on so for us for us to put additional batteries on those properties yes yes are you looking at that or no because the money just wouldn't be there from wapa we had to go there but we had to go bare bones when we did these battery sizings the first time okay so the battery you're purchasing you're thinking of purchasing or having wapa purchases for those future um solar sites that you're working on right now correct well for the future or if whopper wants to it's it's completely up to them this is not something that we're asking

4:03:22 them to do it's just we're offering for them if they would like to place more batteries on existing solar sites or if they'd like to put additional batteries on sites that we have yet to build we're happy to incorporate those batteries into the solar sites okay thank you so much i appreciate it thank you you've answered my question thank you any other questions thank you anything else you would like to bring to our attention uh not at this time uh just just working hard to try and get this power on as quickly as possible um i i think you know with what we've been able to do when petronella came on the savings that uh you know that that was realized by wapa uh i think is is uh spectacular and i think as we ramp hogensburg up and get into fortuna and bovonni and and st john there's going to be uh some major major changes and it's certainly

going to be uh help help to stabilize uh wapa financially so i'll leave it with that all right thank you for your presentation and your contributions we appreciate it uh we don't have anything further so you're excusing this time thank you very much i have a topic of removal question for staff joel hart yes that's wind power i haven't heard a thing about that project for for many months what's going on that we know about i i have not talked to him since january 20th so i i need to do so i i'm very concerned about the ongoing ability the legislature ever approved the president of the legislature ever signed is probably lisa yeah we should we should have you should have but i don't know that several years ago yeah um i think we did because i was

4:05:26 a secretary i thought it was your committee that had to clear first so no because it had already cleared the the committees and it was voted upon in a legislative session and so it was i do know the legislation passed i yeah and so i re i remember because i was a secretary i had to transmit it to the governor so the question is did the governor the governor he didn't veto it right so it should be good so i can i will check with yeah you could check but last i heard he was he was working on a funding option through the department of energy in early january and whether that funding option continues to exist or he's going to have to get private equity is really my question could we get an update on the next agenda please absolutely i i just it was a scheduling question and i wanted to get the solar panels that were closer to best mr lorander is being polite but we we really should revisit an additional ppa on the frederickstead site uh st croix's sites and systems are not really sufficient to substantially change the generation mix yet they can't discharge enough power onto the grid to remove the need for some of the bigger older generators so for for st croix to have any real major impact from renewables they're going to need and different from st thomas they're going to need substantially more batteries and substantially more solar and the Frederick's head site was a very large site um that they never got a ppa we should keep pursuing that and get that ppa issue

4:07:17 in our meeting with with WAPA's management last week WAPA's management stated that the existence of the 15 megawatts of solar that's currently available on St. Croix the petronella site and the existing spanish town site allowed lava to conduct or allowed a greco to conduct maintenance operations and swapping out units over the last couple of weeks without wapa having to turn on a second large unit because they were able to rely on the solar capacity um whether they'll be able to do that on any kind of regular basis at 15 megawatts it's iffy um but yes if with another 10 megawatts at poking board there should certainly be times of the day that they're able to to only run on let's say agreco and solar but a greater expansion of solar capacity makes that much more certain and reduces the need to rely even on the agreco it's actually a greater expansion of the storage capacity because even if you have the solar generation that's theoretically impossible it's still intermittent power and it can't be relied on long enough to turn off a generator that takes an hour or two to start up in an hour to shut down so the real financial impact from renewables in st croix different than st thomas is to get enough generation that is deemed non-intermittent because it has battery backup that allows us to turn off the old inefficient generators which should have been the goal of renewables in the in st croix all along not the problem in st thomas st thomas when they finally fix the wortzilla issues is going to be in very good shape with efficient generations and so just adding fortuna and a huge dispar discharge capability of batteries onto that grid it doesn't really save you a lot of money we pay about the same for

4:09:13 solar and we actually pay more for solar and batteries than we are paying for in greco fuel i'm sorry we're still a fuel we're still as fuel rates are 10 12 cents a kilowatt hour uh if they're running at heat rates of 9 9 500. we're paying 10.8 plus whatever this mythical hidden cost the batteries that we're not not privy to um we're paying at least as much for renewables as as a cost to run a word so so the savings are not great once the word still is going on in fuel only yeah in fulon um but we didn't have any capital costs for those units so there's no amortization of capital there's some maintenance um st croix is an entirely different situation we we have to get rid of the old generation in st croix as quickly as possible that's what's driving liac um the the grecos are not considerably cheaper because in addition to what we pay for fuel for 10 12 cents we're also paying a lease that amortizes into rates as well uh so it ends up being 20 25 power after you it's very expensive with us so you know st croix is the opportunity for us hence frederick said additional site with a whole lot of batteries would be great all right sorry about that thank you commissioners Thank you, Scott, for your participation and your hard work. This meeting is adjourned.

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

- 3x **Senator Carla Joseph**
heard in this transcript as: Joseph's
- 2x **Commissioner David Hughes**
heard in this transcript as: Hughes
- 2x **Commissioner Raymond Williams**
the surname alone also matches: Pedro Williams
heard in this transcript as: Williams

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

- Act 8471** Act 8471 · May 4, 2021 · An Act amending the Virgin Islands Code title 3, section 273(a) relating to the Public Services Commission to establish the Commission as a semiautonomous agency; amending title 30 section | to eliminate certain businesses from regulation as a utility and to subject the Waste Management Authority to regulation; authorizing the Virgin Islands Water and Power Authority to hire a turnaround management company; adding chapter 9 to provide for resolution of customer complaints against wireless telecommunication providers; and for other purposes related to the Public Services Commission, and the Water and Power Authority, enacted by the Thirty-Fourth Legislature of the Virgin Islands at its Regula
- Act 6638** Act 6638 · an Act of Congress [T.33 Section 50] of June 24, 1932, to assist the appropriate officials of the Authority in the determination, collection, and enforcement of the environmental user fee herein imposed. (7) The Authority shall promulgate, after notice and the opportunity for comment , such rules and regulations as may be needed to implement the environmental user fee and fines authorized under the provisions of this section. (8) The Authority may, upon notice and the opportunity for comment, exempt by rule from the environmental user fee such classifications of goods as it determines should be exempt in order to prevent undue hardship or disproportionate burdens upon otherwise responsible e