Grantee: Virgin Islands

Grant: B-18-DE-78-0001

October 1, 2024 thru December 31, 2024

Grant Number:
B-18-DE-78-0001

Obligation Date:

Award Date:

Grantee Name:
Virgin Islands

Contract End Date:
06/06/2029

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$67,653,000.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$67,653,000.00

Estimated PI/RL Funds:
$0.00

Total Budget:
$67,653,000.00

Disasters:

Declaration Number

FEMA-4340-VI

Narratives

Disaster Damage:

Hurricane Irma impacted the USVI on September 6 as a powerful windstorm that directly passed over St. Thomas and St. John, tearing roofs off many buildings while also dropping rain at unprecedented levels while the hurricane slowly crossed the Territory. On September 20, 2017, Hurricane Maria came behind with similar characteristics on a parallel path, causing considerable water damage to the many unprotected structures already without roofs in the St. Thomas and St. John district, while also still inflicting even more severe damage on St. Croix just a few days after Irma had left the area. Catastrophic hurricane rains from Maria fell on already saturated ground from the prior category 5 hurricane, which led to additional flooding and landslides, dramatically impacting already damaged infrastructure systems in the Territory. From the perspective of electric utility systems, these two storms placed considerable additional pressure on the Territory's aging infrastructure, washed out roadways, created debris, caused mudslides, and downed most power lines in the USVI. Damage to the Territory's infrastructure had farreaching effects, starting with how long it took for heavy equipment to get up onto the roads to begin rebuilding homes and restoring power and other essential services.
Even though Hurricanes Irma and Maria arrived in the Territory more than five (5) years ago, power instability from these storms continue to hamper its economic recovery, impeding efforts to complete the Territory's much-needed recovery cycle. Frequent blackouts occur in the USVI due to insufficient generation or instability within existing systems. Unpredictable power outages continue to be common in the Territory, even as already high electricity prices continue to rise. Energy remains the single most comprehensive and critical factor to be addressed for the Territory's future, as systemic energy instability negatively impacts daily life in so many ways. Residents in the USVI need power to have access to water, healthcare, communication, refrigeration, fuel, cooling, and security.

Electrical Power System Recovery Needs:

Hurricanes Irma and Maria significantly damaged key elements of the electrical systems in both Puerto Rico and the U.S. Virgin Islands. At its peak 95% of the Territory was without power, with repairs taking five months before power could be restored. Most residents in the Territory had no potable water for weeks, and some for many months. In the Territory 90% of customers lost internet access due to damage from the hurricanes to telecommunications infrastructure. These effects following Hurricanes Irma and Maria are all linked to power infrastructure failures. Total needs for infrastructure improvements – to energy infrastructure, but to a broader infrastructure as well, following the hurricanes were set at $6.93 billion, including the costs for estimated emergency recovery measures, permanent repair, and reconstruction work, as well as planned resilience and mitigation efforts. The Territory has previously identified multiple disaster-related infrastructure priorities to be addressed using available funding resources. The storms' impact on infrastructure and its systems has affected many systems, which has informed prior project decisions and priorities addressed within previously approved CDBG Action Plans including particularly prioritizing funds to initiatives that benefit low- and moderate-income individuals and households.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$67,653,000.00
Total Budget	$0.00	$67,653,000.00
Total Obligated	$0.00	$0.00

Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
HUD Identified Most Impacted and Distressed	$0.00	$0.00
Other Funds	$ 0.00	$ 0.00
Match Funds	$ 0.00	$ 0.00
Non-Match Funds	$ 0.00	$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	84.13%	.00%
Overall Benefit Amount	$44,100,000.00	$53,000,000.00	$.00
Limit on Public Services	$10,147,950.00	$.00	$.00
Limit on Admin/Planning	$13,530,600.00	$4,653,000.00	$.00
Limit on Admin	$3,382,650.00	$3,382,650.00	$.00
Most Impacted and Distressed	$67,653,000.00	$.00	$.00

Overall Progress Narrative:

Projects Update:
1. Community Electrical Innovation Project- During Oct - Dec 2024, this project was in application review. The project has been added to the DRGR system to be reflected in the April 2025 QPR. A letter of intent was accepted by VI Dept of Energy Office and an application turned in. Currently, a CENST will be applied to the Phase 1 of the project while the environmental team has begun a Tier I Environmental Assessment. The project will be broken up into two phases. A Capacity Assessment is currently being performed to determine Department of Energy risk. The Energy Solutions team has also began developing KPI's that will be evident in the April 2025 QPR.
Phase 1: (CENST)

- Project implementation and management
- Program guideline development
- Vetting beneficiary applications
- Determining beneficiary eligibility
- Ensuring national objective compliance
- Furnishing list of eligible applicants

Phase 2: (Tier I EA)

- Assessing site feasibility
- Creating an RFQ for qualified installers
- Vetting installer qualifications
- Establishing a pool of qualified installers
- Furnishing list of qualified installers
- Technical oversight (includes technology, system sizing, warranties, and capabilities)
- Quality assurance and control (construction management, site inspections, etc.)
- Review & approve installers proposed drawings for beneficiaries
- Project manage site and installers throughout construction period

The project is anticipated to commence mid February 2025.
2. Richmond Generation Project-
consisted of installing two (2) power generators of up to 10Mw each at the Estate Richmond Power Plant (ERPP), and 10 MW/20Mwh of Battery Energy Storage Systems (BESS) along with other equipment needed to facilitate use of the new generators, to:
1) Retire the Aggreko leased generators., lease generation for a projected cost savings of $4.5M annually for new generators using Tri fuel capability allows for operation that is more flexible and facilitate fuel selection.
2) Mitigate the effects of future severe weather events, the proposed generators will reside in the new constructed generator gallery building designed to with stand hurricane force wind and seismic conditions per ASCE7-16 codes per at the ERPP.

This project was in the technical assistance phase and application review during this quarter. Upon review, it was identified that there may be a duplication of benefit that exists. Per the team review, the allocation to the regulated utility proved to constitute a duplication of benefits from increased funding made available to the BE identified with the newly Implementing Section 20601 of the 2018 Bipartisan Budget Act through the Public Assistance Program. FEMA Recovery Policy FP- 104-009-5. The team sent WAPA a letter requests to provide proof that a DOB does not exist. If this can not be provided, HFA will identify smaller projects from WAPA to replace the utility's intent.
Documents attached:
1. CEI- Letter of Intent and Response
2. Richmond Project- DOB Letter

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	$0.00	$0.00	$0.00
EPSI-1-Richmond, Electrical Power Systems Improvements:	$0.00	$0.00	$0.00
EPSI-2- Community Innovation, Electric Power Systems	$0.00	$10,000,000.00	$0.00
EPSI-Admin, Electrical Power System Improvements	$0.00	$3,382,650.00	$0.00
EPSI-Planning, Electrical Power System Improvements:	$0.00	$1,270,350.00	$0.00