Grantee: Virgin Islands

Grant: B-18-DE-78-0001

April 1, 2026 thru June 30, 2026 Performance Report

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

Obligation Date:

Award Date:

Grantee Name:
Virgin Islands

Contract End Date:
06/06/2029

Review by HUD:
Submitted - Await for Review

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	$20,147,950.00

Total Funds Drawdown	$300,725.57	$1,179,245.91
Program Funds Drawdown	$300,725.57	$1,179,245.91
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$331,796.09	$1,179,245.92
HUD Identified Most Impacted and Distressed	$658,192.97	$658,192.97
Other Funds	$ 0.00	$ 0.00
Match Funds	$ 0.00	$ 0.00
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
V.I. Housing Finance Authority (VIHFA)	$ 331,796.09	$ 1,179,245.92
VI Housing Finance Authority	$ 0.00	$ 0.00
Virgin Islands Water and Power Authority (WAPA)	$ 0.00	$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	66.94%	.00%
Overall Benefit Amount	$40,253,535.00	$38,494,557.00	$.00
Limit on Public Services	$10,147,950.00	$.00	$.00
Limit on Admin/Planning	$13,530,600.00	$10,147,950.00	$841,586.10
Limit on Admin	$3,382,650.00	$3,382,650.00	$663,151.22
Most Impacted and Distressed	$67,653,000.00	$57,505,050.00	$658,192.97

Overall Progress Narrative:

During the April through June 2026 reporting period, the EGrid Program advanced both its Grid Resiliency portfolio and childcare facilities activities from environmental review, planning, and project development toward procurement readiness and implementation. For the Grid Resiliency portfolio, the Program focused on four priority projects: the Feeder 11 and 12 Rebuild, Distribution Automated Devices, Transformer Replacement Project, and the St. Thomas Substation Battery Energy Storage System. Across these efforts, activities centered on completing environmental review requirements, preparing Requests for Release of Funds, developing project-specific Subrecipient Agreements, incorporating Environmental Monitoring Plans, refining performance measures, and coordinating procurement and implementation planning with VIWAPA, HUD, DPNR, regulatory stakeholders, and internal VIHFA review teams.

A key accomplishment for the quarter was the advancement of the Feeder 11 and 12 Rebuild, Distribution Automated Devices, and Transformer Replacement projects beyond environmental review and into the federal approval phase through the submission of Requests for Release of Funds to HUD. This progress positioned the projects to move toward procurement and implementation once final federal approvals are issued, Subrecipient Agreements are executed, and procurement reviews are completed. Environmental Monitoring Plans were finalized and incorporated into project agreements, legal review was completed, agreements were transmitted for financial review, and VIWAPA submitted solicitation packages for review. Preliminary procurement feedback indicated that the packages were generally acceptable pending written confirmation.

The St. Thomas Substation BESS project remained the most complex Grid Resiliency activity due to ongoing Federal Consistency Determination requirements, Environmental Assessment activities, and the need for additional engineering and technical documentation. During the quarter, the Program coordinated with VIWAPA, DPNR, environmental consultants, and regulatory agencies to advance site investigations, document existing project conditions, participate in the Coastal Zone Federal Consistency Determination pre-application process, and support completion of the Environmental Review Record. Finalization of the BESS Subrecipient Agreement remains dependent on completion of the environmental review process and related regulatory requirements.

In addition to the four priority Grid Resiliency projects, VIWAPA submitted two proposed projects for consideration, including a new Battery Energy Storage System proposal for the Willock Substation. The Program initiated a preliminary review to assess eligibility, readiness, alignment with resiliency objectives, and potential unmet need. Additional information was requested from VIWAPA to support the eligibility, funding, and unmet need analysis. Preliminary findings indicate that additional funding may be required, and the Program is evaluating whether funding currently allocated to the Solarize Hubs initiative may need to be reallocated to support one or both proposed VIWAPA projects. If a reallocation is pursued, an Action Plan amendment may be required to revise funding allocations and incorporate eligible activities.

The CIEP program’s childcare facilities bundle also progressed during the quarter, with VIHFA and VIEO contuing to move facilities through environmental review, procurement preparation, design validation, and implementation planning. The completion of the Happy Faces childcare facility was the most significant accomplishment in this portfolio. The project included installation of solar panels and a battery backup system, creating an energy-resilient hub on St. Croix that may be activated during storms and disasters to support residents seeking refuge. Following construction completion, the site entered closeout, including final inspection, file review, and preparation of reimbursement documentation.

Environmental review activities advanced for the remaining childcare facilities, with site visits completed for all nine facilities and environmental documentation incorporated into Tier II review packages. The Happy Faces Tier II review was completed, while Savan Head Start, Frederiksted Head Start, and Richmond Head Start remain under review. Savan is pending final

approval, and Frederiksted and Richmond require additional documentation and consultations before Tier II completion. Outstanding consultation responses from DPNR and related historic preservation requirements continued to affect project timelines; however, VIHFA and VIEO elevated agency coordination, tracked outstanding documentation, and developed guidance to clarify Clean Air Act permitting applicability for renewable energy installations.
Procurement and implementation planning for the childcare facilities advanced in parallel with environmental review. VIHFA Procurement approved the Energy Office's professional services solicitation, allowing VIEO to proceed with procurement support for engineering validation, system sizing, and technical review for larger facilities. The first procurement bundle was refined to include Anna's Hope, Tenacious Toddlers, Sugar Estate, Cruz Bay Head Start, and DoReMi Daycare. Solicitation packages and the professional services RFQ were targeted for completion in July 2026, although final procurement activity remains dependent on external agency reviews and approvals, including the Department of Property and Procurement.
Program staff strengthened oversight, risk management, and implementation controls across both the Grid Resiliency and childcare facilities portfolios. This included developing and refining project-specific Key Performance Indicators, monitoring requirements, special conditions, payment milestones, beneficiary agreement revisions, Duplication of Benefits training materials, Subrecipient Risk Assessments, and Subrecipient Agreement provisions tailored to each project's scope and risk profile. Preliminary system sizing and site-specific design assumptions for the childcare facilities continued to be refined pending third-party validation, while cost analyses for the Childcare Facilities Bundle and Family Care Bundle identified that average installation costs exceed the current program cost cap. As a result, VIHFA requested VIEO's recommendation for a revised cap and related policy and agreement updates.
Overall, the reporting period reflected steady progress in positioning EGrid projects for procurement, agreement execution, construction readiness, and future implementation. While no childcare facility construction activities beyond Happy Faces had commenced, the Program continued to address schedule risks related to environmental consultation response times, regulatory dependencies, federal approval sequencing, Subrecipient Agreement execution, Authority to Use Grant Funds issuance, procurement review, cost-cap limitations, and external agency approvals. These challenges were addressed through leadership engagement, direct coordination with regulatory agencies, active tracking of outstanding documentation, and parallel advancement of legal, financial, procurement, environmental, and programmatic reviews. During the next reporting period, the Program will focus on executing Subrecipient Agreements, completing remaining BESS and childcare facility environmental review activities, advancing procurement packages to solicitation, finalizing federal approval requirements, establishing implementation schedules and expenditure plans, and completing the unmet need evaluation for proposed VIWAPA projects.

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-Admin, Electrical Power System Improvements	($26,112.26)	$3,382,650.00	$663,151.22
EPSI-Planning, Electrical Power System Improvements:	$2,398.12	$6,765,300.00	$178,434.88
PR1-GridRes, PR1-Grid Resiliency	$0.00	$35,788,437.00	$0.00
PR2- Community Innovation, Community Innovations	$324,439.71	$21,716,613.00	$337,659.81

Activities

Project # / EPSI-2- Community Innovation / Electric Power Systems

Grantee Activity Number: CIAP-672-SolHub-LMI
Activity Title: CIAP-PR2-SolarizeHub

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
EPSI-2- Community Innovation

Project Title:
Electric Power Systems Improvement: Community

Projected Start Date:
10/01/2025

Projected End Date:
01/13/2029

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
Low/Mod

Responsible Organization:
V.I. Housing Finance Authority (VIHFA)

Overall	Apr 1 thru Jun 30, 2026	To Date
Total Projected Budget from All Sources	$0.00	$2,706,120.00
Total Budget	$0.00	$2,706,120.00
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
V.I. Housing Finance Authority (VIHFA)	$0.00	$0.00
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

To address larger scaled installations on various sites in the territory. Selected sites will serve as community resilience hubs during emergencies, offering public services such as charging stations for small electrical equipment, cooling centers, and communications access, while supporting grid stability during peak demand periods. Installations must meet hurricane-rated wind load standards, use corrosion-resistant materials suited to the marine climate, and comply with all applicable USVI building and electrical codes.

Location Description:

Activity Progress Narrative:

Reporting Period April to June 2026
Unmet Need Assessment – VIWAPA Projects
During the reporting period, VIWAPA submitted two proposed projects for consideration under the Grid Resiliency Program. Program staff initiated a preliminary review to assess project eligibility, readiness, and alignment with resiliency objectives. As part of this evaluation, additional information and supporting documentation were requested from VIWAPA to facilitate the unmet need assessment and funding review. At the close of the reporting period, the requested information remained pending. Preliminary analysis indicates that additional funding may be necessary to support the proposed projects and address identified resiliency needs within the electrical system. The Program is evaluating whether funding currently allocated to the Solarize Hubs initiative may be needed to support one or both VIWAPA projects. Upon receipt of the outstanding documentation, Program staff will complete the eligibility, unmet need, and funding

assessments and determine whether use of Solarize Hubs funds is appropriate and consistent with program objectives. Should a determination be made to allocate Solarize Hubs funding to the proposed VIWAPA projects, an amendment to the Action Plan may be required to revise funding allocations and incorporate the eligible activities. The final funding determination remains under review pending completion of the unmet need analysis, receipt of the requested information from VIWAPA, and any necessary programmatic and regulatory approvals.
Key Accomplishments

- Received and initiated review of two VIWAPA project submissions.
- Requested additional information from VIWAPA to support unmet need, eligibility, and funding evaluations.
- Initiated assessment of potential unmet need funding requirements associated with the proposed projects.
- Began evaluating whether Solarize Hubs funding could be utilized to support eligible resiliency activities.
- Assessed potential Action Plan amendment requirements associated with future funding decisions.

Challenge and Consideration – Funding Reallocation
The Program is evaluating whether available Solarize Hubs funding may be needed to support proposed VIWAPA resiliency projects. Additional information has been requested from VIWAPA and remains pending. Final funding determinations, including whether an Action Plan amendment is required to reallocate funds and incorporate the projects, will be made upon completion of the eligibility and unmet need assessment.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Grantee Activity Number: EGR-672-Ene-Vul-UN
Activity Title: EPSI-PR2-CIAP-Energy Vulnerable

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
EPSI-2- Community Innovation

Project Title:
Electric Power Systems Improvement: Community

Projected Start Date:
04/01/2025

Projected End Date:
08/31/2026

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Urgent Need

Responsible Organization:
V.I. Housing Finance Authority (VIHFA)

Overall	Apr 1 thru Jun 30, 2026	To Date
Total Projected Budget from All Sources	$0.00	$19,010,493.00
Total Budget	$0.00	$19,010,493.00
Total Obligated	$0.00	$10,000,000.00
Total Funds Drawdown	$324,439.71	$337,659.81
Program Funds Drawdown	$324,439.71	$337,659.81
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$324,439.71	$337,659.81
V.I. Housing Finance Authority (VIHFA)	$324,439.71	$337,659.81
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

The Community Electrical Innovation Program was created to mitigate electric power supply interruptions to entities that assist vulnerable populations in low- and moderate-income areas. Specifically, this initiative targets entities that provide daycare services, afterschool programs, homeless shelters and the elderly. The Virgin Islands Energy Office is responsible for the following:

1. a) program guideline development
2. b) vetting beneficiary applications
3. c) determining beneficiary eligibility
4. d) assessing site feasibility
5. e) ensuring national objective compliance
6. f) furnishing list of eligible applicants
7. g) creating an RFQ for qualified installers
8. h) vetting installer qualifications
9. i) establishing a pool of qualified installers
10. j) furnishing list of qualified installers
11. k) project implementation and management

12. l) technical oversight (includes technology, system sizing, warranties, and capabilities)
13. m) quality assurance and control (construction management, site inspections, etc.)

As part of the project implementation, VIEO is expected to:

- Determine eligible beneficiary
- Acquire qualified installers
- Maintain competitive bidding for each individual beneficiary
- Review & approve installers proposed drawings for beneficiaries
- Project manage site and installers throughout construction period
- Monitor beneficiary system after installation is completed

Installed systems will be rooftop solar and battery on existing structures. No masonry construction is allowed as part of this program. Solar panels will be fastened to non-compromised roofs using a metal (usually aluminium) racking system with various fasteners (nuts & bolts). Systems will consist of wiring and conduits from the electrical panel to the solar panels and the battery storage system. The battery storage systems will be fastened to interior or exterior walls (depending on the most cost effective option).

Location Description:

Activity Progress Narrative:

During the reporting period, VIHFA completed the Happy Faces site as part of the Childcare Facilities Bundle. The scope of this activity was the installation of solar panels and a battery back up system. This positively impacts the St. Croix as Happy Faces is considered an energy resilient hub that is activated during storms and disasters where the community can seek refuge if needed. The remaining Childcare Facilities Bundle sites also continued to advance environmental review, procurement, program administration, and implementation readiness activities Significant progress was made in completing site inspections, advancing environmental reviews, initiating procurement actions, developing program controls, and strengthening oversight and compliance processes. While environmental consultations and external review requirements continue to affect project timelines, the program remains positioned to transition from planning and review activities toward procurement, construction readiness, and installation.
Quarterly Accomplishments (April–June 2026)

- Completion of 1 project site site - Happy Faces Childcare Center
- Completed the Tier II Environmental Review for the Happy Faces childcare facility in April with installation between May and June .

- Completed environmental site visits for all nine childcare facilities and eight senior homes and community centers.
- Approved Energy Office's draft Professional Services RFQ which allowed advancemnt of procurement activities by the Energy Office for 5 childcare bundle sites.
- Initiated development of the Subrecipient Risk Assessment (SRA) and project monitoring framework.
- Conducted cost breakdowns for both the Childcare Facilities Bundle and Family Care Bundle, identifying the need to revise program cost caps.
- Began development of Duplication of Benefits (DOB) training materials for the Energy Office and regulations and finalized beneficiary agreement revisions.
- Initiated updates to payment milestones, Key Performance Indicators (KPIs), and other program management controls.
- Continued coordination with external agencies, including DPNR and the Department of Property and Procurement, to advance environmental review and procurement milestones.
- Explored adoption of select VIHFA policies and procedures with the Energy Office to strengthen procurement administration, financial management,

compliance monitoring, reimbursement processing, and overall program implemntation.

April 2026

During April 2026, environmental review activities advanced significantly for the Childcare Facilities Bundle. The Environmental Team completed a site visit for the Cruz Bay Head Start facility, bringing the total number of completed site visits to seven of nine facilities. These visits are necessary to document existing site conditions and support completion of the Tier II Environmental Reviews. Consultation requests were prepared for submission to the Department of Planning and Natural Resources (DPNR), with the remaining two site visits scheduled for completion by April 10, 2026, and consultation requests anticipated by April 18, 2026.

The Environmental Review Record (ERR) remained ongoing and dependent upon receipt of consultation responses from DPNR. Due to delays in obtaining required consultation letters, VIHFA leadership and program staff elevated concerns to the DPNR Commissioner and scheduled a coordination meeting with DPNR on April 16, 2026, to discuss strategies for expediting responses. At this time, no additional environmental mitigation measures were identified beyond those already documented through the review process.

Procurement activities also progressed during the reporting period. VIEO identified a contractor for the Happy Faces facility and began developing contract documentation, including system specifications, scope of work, and project cost estimates. In addition, the Professional Services Request for Proposals (RFP) was reviewed and approved by VIHFA Procurement with no revisions required, allowing the solicitation process to move forward. These professional services are intended to validate system sizing and engineering assumptions for larger facilities included in future procurement bundles.

Simultaneously, VIHFA initiated development of the Subrecipient Risk Assessment (SRA), including project-specific monitoring requirements and Key Performance Indicators (KPIs).

May 2026

VIHFA completed the Tier II Environmental Review for the Happy Faces childcare facility in March 2026. The review identified Clean Air Act compliance considerations during construction. While projects subject to this factor typically require an Authority to Construct and Permit to Operate, these requirements may not be applicable to renewable energy installations. To address this matter, VIEO prepared a memorandum documenting local permitting requirements and establishing a consistent compliance approach for future project sites.

Environmental review activities continued for the remaining childcare facilities. Site inspections progressed, and environmental documentation was incorporated into Tier II review packages. However, completion of the remaining environmental reviews remained contingent upon receipt of consultation letters from DPNR as they are the local authorty. These consultation responses are required before environmental clearances can be finalized. Delays in receiving consultation responses continued to impact project schedules.

Procurement activities advanced during the reporting period. VIEO selected a contractor for the Happy Faces installation and continued coordination with VIHFA regarding system specifications, project costs, and contract requirements. The RFQ for third-party professional services was approved and prepared for solicitation. These services will support engineering review, validation of system sizing, and technical evaluations for larger project sites included in future procurement bundles. The solicitation is expected to be posted by week 1 of June.

Design and engineering activities remained in progress. Preliminary system sizing continued to be refined pending validation through the planned professional services contract. Final engineering assessments and facility-specific designs had not yet been completed for larger systems.

Happy Faces Day Childcare Center completed construction and entered the project closeout phase. There were no new construction activities that commenced during the reporting period, as environmental clearance, procurement actions, and contract execution remained ongoing.

June 2026

During June 2026, the program continued to progress from environmental review and procurement planning toward implementation readiness. Following completion of construction activities at Happy Faces, project closeout activities began, including file review and related documentation.

Three sites remain under environmental review: the Department of Human Services' Savan Head Start, Frederiksted Head Start, and Richmond Head Start. The Tier II review for Savan Head Start is pending final approval, and its presentation to the Historic Preservation review body was deferred after VIEO determined that the selected contractor would be better positioned to provide the detailed technical information needed for the review. Frederiksted Head Start and Richmond Head Start also require additional documentation and consultations before their Tier II reviews can be finalized. As a result, final environmental clearance for all sites has not yet been secured due to outstanding consultations and approvals.

The first procurement bundle now includes Anna's Hope, Tenacious Toddlers, Sugar Estate, Cruz Bay Head Start, and DoReMi Daycare. Procurement activities progressed during the quarter and moved beyond initial contractor selection and solicitation planning. However, procurement activities remain dependent upon actions and approvals from external agencies, including the Department of Property and Procurement. The Request for Qualifications (RFQ) for professional services is expected to be completed by July 8, 2026. The selected consultant will provide technical support for validating system sizing, engineering assumptins, and project design requirements. Solicitation packages for the first bundle of childcare facilities are anticipated to be completed by July 10, 2026, and will continue through the required external review and approval process.

Program staff also advanced project planning and design efforts during the reporting period. A detailed cost breakdown was completed for both the Childcare Facilities Bundle and the Family Care Bundle. The analysis determined that average installation costs exceed the current program cost cap. As a result, VIHFA requested that VIEO submit a recommendation regarding an appropriate revised cost cap. Upon approval, the revised cap will be incorporated into program policies and reflected in amendments to the Subrecipient Agreement (SRA).

Administrative and compliance activities continued throughout the month. VIHFA began developing training

materials for VIEO regarding completion of Duplication of Benefits (DOB) worksheets and supporting documentation requirements. VIEO continued reviewing beneficiary agreement comments provided by program staff and will resubmit revised agreements to VIHFA Legal for review.
In addition, VIEO began exploring the adoption and adaptation of select VIHFA policies and procedures to strengthen program administration, establish consistent internal controls, and improve management of procurement activities, reimbursement requests, project monitoring, and compliance requirements. These efforts are intended to support effective program implementation while maintaining compliance with applicable federal and local requirements.
To further strengthen project oversight and implementation readiness, VIHFA and VIEO jointly initiated updates to payment milestones, performance measures, and Key Performance Indicators (KPIs). These revisions are intended to improve project monitoring, reimbursement processing, risk management, and overall program administration as projects advance from planning and environmental review into procurement, construction readiness, and eventual installation activities.

Environmental Review Progress

- Tier II review for Happy Faces was completed.
- One remaining Tier II environmental review remains pending fnal approval.
- Frederiksted Head Start and Richmond Head Start require additional environmental review before Tier II completion.
- DPNR consultation responses remain outstanding and continue to affect project timelines.
- Clean Air Act compliance requirements were identified during the Happy Faces review, resulting in the development of guidance regarding permitting applicability to renewable energy installations.
- No additional environmental mitigation measures beyond those identified in the review process have been required to date.
- Environmental clearances for the remaining facilities remain pending receipt of required consultations and approvals.

Procurement Status

- Professional Services RFP was approved by VIHFA Procurement and posted for solicitation.
- VIEO identified and selected a contractor for the Happy Faces facility.
- Contract development and negotiations were completed for Happy Faces.
- The Happy Faces site was completed and inspected for final completion.
- Procurement activities are dependent upon external agency reviews and approvals, including the Department of Property and Procurement.
- RFQ for professional services is anticipated to be completed in July 2026.
- Solicitation packages for the first childcare bundle are anticipated to be completed in July 2026.

Design and Engineering

- Preliminary system sizing has been developed for project sites.
- Third-party professional services will validate system sizing andengineering assumptions.
- Final engineering assessments remain pending procurement of professional services.
- Site-specific designs continue to be refined based on environmental review findings and technical evaluations.
- Cost analyses have identified the need to revise the program cost cap to reflect actual project conditions.

Construction and Installation Activities

- No construction activities have commenced beyond Happy Faces.
- No notices to proceed have been issued by VIHFA.
- No equipment orders have been placed by VIHFA.
- The remaining 5 childcare site are the lead candidates for initial installation activities once environmental and procurement requirements are completed.

Eligibility andeneficiary Files

- Beneficiary agreement reviews continued during the quarter.
- VIEO is addressing comments received from program staff and preparing revised submissions for legal review.
- VIHFA began development of training materials to support completion of Duplication of Benefits (DOB) worksheets.
- Administrative files continue to be refined in preparation for implementation activities.

Payments and Reimbursements

- Payment processing remains subject to standard review and approval procedures.
- VIHFA and VIEO are reviewing payment milestones to improve reimbursement administration and project management.
- VIEO is gathering documents to submit a reimbursement for the Happy Faces installation.

Challenges and Corrective Actions

Environmental Consultation Delays

Outstanding DPNR consultation responses continue to delay completion of environmental reviews and environmental clearances.

Historic Preservation Review Requirements

Historic preservation committee review for one project site remains pending contractor participation and submission of project-specific technical information.

Eternal Agency Dependencies

Procurement timelines remain dependent on reviews, approvals, and actions by external agencies, including the Department of Property and Procurement, which are outside the direct control of VIHFA and VIEO.

Program Cost Cap Limitations

Cost analyses identified installation costs exceeding current program caps. Program policy updates and SRA amendments are being developed to address this issue.

Permitting Requirements

Additional guidance was prepared to clarify Clean Air Act permitting requirements and applicability to renewable energy installations. Timeline after contractor application is also dependent on DPNR.

Policy Development and Program Controls

VIEO is evaluating opportunities to adapt relevant VIHFA policies and procedures to strengthen procurement administration, reimbursement processing, project monitoring, performance management, and compliance oversight.

Project Management Enhancements

VIHFA and VIEO continue refining KPIs, payment milestones, beneficiary agreements, DOB procedures, and monitoring tools to improve implementation and oversight as the program advances toward construction and installation. Additionally, VIEO is evaluating the adoption and adaptation of select VIHFA policies and procedures to strengthen internal controls, financial management, procurement administration, and program compliance while supporting long-term program sustainability and effective project delivery.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of buildings (non-residential)	1	1/35
# of Electrical Inspections	1	1/35
# of green infrastructure	0	0/35

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / EPSI-Admin / Electrical Power System Improvements

Grantee Activity Number: EPSI-Admin-VIHFA
Activity Title: EPSI-Admin

Activity Type:
Administration

Activity Status:
Under Way

Project Number:
EPSI-Admin

Project Title:
Electrical Power System Improvements

Projected Start Date:
06/06/2023

Projected End Date:
09/28/2029

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
V.I. Housing Finance Authority (VIHFA)

Overall	Apr 1 thru Jun 30, 2026	To Date
Total Projected Budget from All Sources	$0.00	$3,382,650.00
Total Budget	$0.00	$3,382,650.00
Total Obligated	$0.00	$3,382,650.00
Total Funds Drawdown	($26,112.26)	$663,151.22
Program Funds Drawdown	($26,112.26)	$663,151.22
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$4,958.25	$663,151.22
V.I. Housing Finance Authority (VIHFA)	$4,958.25	$663,151.22
VI Housing Finance Authority	$0.00	$0.00
Most Impacted and Distressed Expended	$658,192.97	$658,192.97

Activity Description:

Program administration entails activities related to the overall administration and execution of the Electrical Grid Grant. Eligible program administration costs include but are not limited to costs associated with staffing and general management oversight and coordination.
Adjusted activity end date from 06.06.2023 to 09.28.2029 on 08.12.2025

Location Description:

Activity Progress Narrative:

During this month, the finance team worked on reclassing to the correct project line as well as completed outstanding SF-425 for 2QFY26. The communications teams worked to advance environmental review requirements with publications. Our procurement team continued to work with the environmental for projects such as the BESS projects that required testing and/or other procurement services. SF-425 uploaded.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / EPSI-Planning / Electrical Power System Improvements:

Grantee Activity Number: EPSI-Planning-VIHFA
Activity Title: EPSI-Planning

Activity Type:
Planning

Activity Status:
Under Way

Project Number:
EPSI-Planning

Project Title:
Electrical Power System Improvements: Planning

Projected Start Date:
06/06/2023

Projected End Date:
06/06/2029

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
V.I. Housing Finance Authority (VIHFA)

Overall	Apr 1 thru Jun 30, 2026	To Date
Total Projected Budget from All Sources	$0.00	$6,765,300.00
Total Budget	$0.00	$6,765,300.00
Total Obligated	$0.00	$6,765,300.00
Total Funds Drawdown	$2,398.12	$178,434.88
Program Funds Drawdown	$2,398.12	$178,434.88
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$2,398.13	$178,434.89
V.I. Housing Finance Authority (VIHFA)	$2,398.13	$178,434.89
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

Planning funds will be used for activities such as Action Plan development, public outreach, and coordination, and VIHFA understands that planning studies may be beneficial to identify solutions to promote the use of renewable energy and storage and to reduce emissions of greenhouse gas emitting sources by efficiency measures

Location Description:

Activity Progress Narrative:

During April, May, and June 2026, Planning activities for EGrid focused on the advancing projects from early coordination and regulatory review toward implementation readiness. In April, the program coordinated with EGrid subrecipients and DPNR to improve the consultation process, support Tier II Environmental Review scheduling, and continue development of Subrecipient Risk Assessments and related performance measures. In May, planning efforts advanced through completion of environmental consultations, execution of Part 58 review milestones, preparation of subrecipient agreement materials, and coordination with VIEO, WAPA, DPNR, and VIHFA Environmental to address permitting, Historic Preservation, procurement readiness, and cost-cap issues. By June, the program continued refining implementation pathways by supporting closeout review for Happy Faces, preparing procurement and solicitation packages for Grid Resiliency activities, coordinating required Environmental Monitoring Plan exhibits, tracking SRA issuance, and advancing environmental and regulatory reviews for the St. Thomas East End Substation BESS project. Collectively, these activities strengthened project

sequencing, clarified dependencies, and positioned the EGrid portfolio for procurement, agreement execution, and eventual project implementation.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / PR1-GridRes / PR1-Grid Resiliency

Grantee Activity Number: EGR-674-GRES-LMI
Activity Title: Grid Resiliency

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
PR1-GridRes

Project Title:
PR1-Grid Resiliency

Projected Start Date:
10/01/2025

Projected End Date:
12/28/2028

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
Low/Mod

Responsible Organization:
Virgin Islands Water and Power Authority (WAPA)

Overall	Apr 1 thru Jun 30, 2026	To Date
Total Projected Budget from All Sources	$0.00	$35,788,437.00
Total Budget	$0.00	$35,788,437.00
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
Virgin Islands Water and Power Authority (WAPA)	$0.00	$0.00
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

Project should assist in lowering the base electricity costs, improve operational efficiency, and reduce air pollution for the territory grid system. These activities will support redundancy at critical substations, the ability to isolate faults from the central location, remove vegetation hazardous, and remove and upgrade grid capacitors, and transformers in the territory.

Location Description:

Activity Progress Narrative:

Reporting Period: April–June 2026
Summary
During the reporting period, the Program continued advancing four priority Grid Resiliency projects: Feeder 11 and 12 Rebuild, Distribution Automated Devices (DAD), Transformer Replacement Project, and the St. Thomas Substation Battery Energy Storage System (BESS). Efforts focused on completing environmental review requirements, advancing regulatory approvals, developing project-specific Subrecipient Agreements (SRAs), establishing monitoring and performance measures, and preparing projects for procurement and implementation.
A significant accomplishment during the quarter was the advancement of the Feeder 11 and 12 Rebuild, Transformer Replacement Project, and Distribution Automated Devices projects beyond environmental review and into the federal approval phase through submission of Requests for Release of Funds (RROFs) to HUD. These milestones position the projects to proceed toward procurement and implementation upon completion of

remaining approvals and execution of project agreements.
Feeder 11 and 12 Rebuild
April 2026
During April 2026, environmental review activities continued while outstanding consultations and regulatory requirements were addressed. The Program coordinated closely with the Environmental Team and DPNR to advance consultation responses and complete the Environmental Review Record (ERR). In parallel, the Program began developing the project-specific Subrecipient Agreement (SRA), including Key Performance Indicators (KPIs) and special conditions tailored to the applicant's risk profile and project scope.
May 2026
The project achieved a major milestone during the reporting period with submission of the Request for Release of Funds (RROF) to HUD. Completion of the environmental review process positioned the project to advance into the federal approval phase. The Program continued coordinating with VIWAPA regarding procurement planning, expedited expenditure strategies, and development of the Subrecipient Agreement.
June 2026
Environmental review requirements were completed and the signed Environmental Monitoring Plan was incorporated into the SRA. Legal review of the drafted agreement was completed and forwarded to Finance for review. In addition, VIWAPA submitted the solicitation package for review, and preliminary procurement feedback indicated the package was acceptable pending written confirmation. The project is now positioned to proceed into procurement upon execution of the SRA and final approval actions.
Distribution Automated Devices (DAD)
April 2026
The project remained in environmental and regulatory review. Program staff coordinated with the Environmental Team regarding outstanding consultation requirements while simultaneously developing project monitoring measures, KPIs, and draft SRA provisions. Coordination with DPNR continued to address consultation delays affecting project schedules.
May 2026
The Request for Release of Funds (RROF) was submitted to HUD, marking a significant advancement for the project. The Program continued refining the SRA and coordinating with VIWAPA regarding procurement planning and implementation strategies. Environmental review activities and consultation tracking continued throughout the month.
June 2026
The Environmental Monitoring Plan was finalized and incorporated into the SRA. The Program advanced procurement planning activities and submitted the project's procurement package for review. Legal review of the SRA was completed and shared with Finance. By the end of the quarter, the project had transitioned from environmental review activities to procurement readiness, pending execution of the agreement and final approvals.
Transformer Replacement Project
April 2026
The Transformer Replacement Project continued through environmental review and consultation activities. Program staff worked with environmental reviewers and regulatory agencies to address outstanding consultation requirements while simultaneously developing project-specific KPIs, monitoring requirements, and Subrecipient Agreement provisions.
May 2026
A significant accomplishment during the quarter was submission of the Request for Release of Funds (RROF) to HUD. This achievement allowed the project to advance beyond environmental review activities and into the federal approval process. The Program continued development of the SRA and coordination with VIWAPA regarding procurement planning and expenditure strategies.
June 2026
The Environmental Monitoring Plan was completed and incorporated into the SRA. Procurement planning activities advanced, and solicitation documents received favorable preliminary review. Legal review of the drafted SRA was completed and transmitted to Finance. The project is positioned to move forward into procurement and implementation following execution of the agreement and receipt of final approvals.
St. Thomas Substation Battery Energy Storage System (BESS)
April 2026
Environmental review activities continued during the reporting period. The Program coordinated with VIWAPA, DPNR, and environmental staff to address outstanding consultation requirements and document existing project conditions. Project-specific KPIs and SRA provisions were developed in anticipation of environmental review completion.
May 2026
The project remained the most complex of the Grid Resiliency portfolio due to ongoing Federal Consistency Determination requirements, Environmental Assessment activities, and the need for additional engineering and technical documentation. VIWAPA submitted information supporting project evaluations, and the Program continued coordinating with environmental consultants and regulatory agencies to advance review activities.
June 2026
Significant progress was made on environmental and regulatory activities. The Program participated in the Coastal Zone Federal Consistency Determination pre-application process and continued the Environmental Assessment effort. The project's environmental consultant advanced site investigations and documentation requirements. In addition, a new Battery Energy Storage System proposal for the Willock Substation was reviewed and determined eligible under E-GRID. However, implementation of the additional project remains dependent on completion of an unmet need assessment and a potential Action Plan amendment. Environmental review activities remain ongoing, and finalization of the SRA continues to be dependent upon completion of the Environmental Review Record.
Quarterly Accomplishments

- Advanced environmental review activities for all four Grid Resiliency projects.
- Submitted Requests for Release of Funds (RROFs) to HUD for:
    - Feeder 11 and 12 Rebuild
    - Transformer Replacement Project
    - Distribution Automated Devices (DAD)
- Advanced three projects beyond environmental review and into the federal approval phase.

- Completed Environmental Monitoring Plans and incorporated them into project-specific Subrecipient Agreements.
- Developed and refined project-specific KPIs, monitoring requirements, and performance measures.
- Advanced legal, financial, procurement, environmental, and programmatic reviews concurrently.
- Received and reviewed procurement solicitation packages from VIWAPA.
- Continued Federal Consistency Determination and Environmental Assessment activities for the St. Thomas Substation BESS project.
- Initiated review of an additional BESS project requiring an unmet need analysis and potential Action Plan amendment.
- Strengthened coordination among VIHFA, VIWAPA, DPNR, Procurement, Legal, Finance, Compliance, and Environmental Review teams.

Key Challenges and Corrective Actions
Environmental Consultation Delays
Consultation response times from DPNR and other regulatory agencies continued to affect project schedules. Leadership engagement with DPNR contributed to improved communication and advancement of several review activities.
Regulatory and Environmental Review Requirements
The St. Thomas Substation BESS project remains dependent on Federal Consistency Determination, Environmental Assessment activities, and completion of the Environmental Review Record.
Procurement Readiness
While procurement planning has advanced significantly, project implementation remains dependent on execution of Subrecipient Agreements, issuance of Authority to Use Grant Funds (AUGFs), and completion of final procurement reviews.
External Agency Dependencies
Project schedules remain dependent upon actions by HUD, DPNR, VIWAPA, and other external stakeholders that are outside the direct control of the Program.
Program Oversight and Risk Management
The Program continues developing project-specific KPIs, monitoring requirements, Environmental Monitoring Plans, and Subrecipient Agreement provisions to strengthen oversight and support successful project implementation.
Next Quarter Focus
During the next reporting period, the Program will focus on:

- Executing Subrecipient Agreements for the three projects that have advanced beyond environmental review.
- Completing remaining BESS environmental review activities.
- Advancing procurement packages to solicitation.
- Finalizing federal approval requirements.
- Establishing implementation schedules and expenditure plans.
- Continuing evaluation of the proposed Willock Substation BESS project and associated unmet need considerations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None