# Government of the United States Virgin Islands
## VIRGIN ISLANDS ENERGY OFFICE

4101 ESTATE MARS HILL, FREDERIKSTED, VI 00840 | PHONE: 340.713.8436 | FAX: 340.772.0063
4605 TUTU PARK MALL #231, ST. THOMAS, VI 00802 | PHONE: 340.714.8436 | FAX: 340.776.1914
WEB: WWW.ENERGY.VI.GOV | EMAIL: AMINAH.SALEEM@EO.VI.GOV


**Testimony for Proposed Consideration and Amendements**
**To Bill# 31**

**Presented to the Senate Committee on Energy and Environmental Protection**

**By, Aminah Saleem, Deputy Director**
**Virgin Islands Energy Office**

**April 8, 2015**

**Testimony to provide an update on past and present energy projects supported by the Virgin Islands Energy Office**

**Presented to the Senate Committee on Energy and Environmental Protection**

**By Elmo D. Roebuck, Jr., Director**
**Virgin Islands Energy Office**

**April 8, 2015**

The Honorable Senator Samuel Sanes, Chairman, other Senators present, other testifiers, and to the listening and viewing audience, good day. My name is Elmo D. Roebuck, Jr., and this testimony is submitted in my capacity as Director of the Virgin Islands Energy Office within the Office of the Governor. Present in the chambers with me today are three members of my senior staff: Aminah Saleem, Deputy Director/Grants Manager, Patricia Lord, Grants Program Coordinator - State Energy Program ("SEP") and Leila Muller, Grants Program Coordinator - Weatherization Assistance Program ("WAP").

The Committee has asked that I provide an update on past and present energy projects. My response is as follows:

The Virgin Islands Energy Office ("VIEO") was established by Executive Order 182-1974 to devise and execute energy policy. The mission of the Virgin Islands Energy Office is to promote sustainable energy policies in the Virgin Islands encompassing energy production, distribution and

consumption through training, outreach, financial incentives, and technical assistance. The VIEO establishes, monitors, and coordinates the integration of policies relating to conservation, use, control, distribution, and allocation of energy with respect to all energy matters. The VIEO is also the state-designated agency for the planning, implementation, oversight, and administration of federal funds to include the State Energy Program (SEP), the Weatherization Assistance Program (WAP), and the energy programs of the American Recovery and Reinvestment Act (ARRA) of 2009.

The VIEO has four strategic priorities: 1) reduce the cost of energy, 2) increase efficiency of energy use and production, 3) increase fuel diversity, and 4) promote clean energy production. Those priorities are crucial in order to reach the territory's goal of reducing our dependency on fossil fuel for power production by 60% before the year 2025. Key to these efforts is the government leading by example.

A great demonstration of that leadership is our Government Energy Savings Program. During the past fiscal year, the VIEO concluded a 14-month energy efficiency retrofit for schools and other Department of Education facilities. The project was a $10.8 million bond financed initiative, which utilized an energy performance contract to replace lighting and plumbing systems with more efficient systems. Due to the installation of these energy conservation measures the Department of Education requested a $5,892,446 reduction in their utility allotment for their FY15 budget, a significant savings.

An energy savings contract was signed in 2014 with FPL Energy Services Inc. (FPLES) to cut energy costs at the Gov. Juan F. Luis Hospital, the Roy Lester Schneider Hospital, and the Myrah Keating Smith Community Health Center. An Investment Grade Audit and Implementation Plan was completed which identified and recommended conservation measures at the facilities that included water and lighting retrofits -- the installation of LED lighting and high efficiency fluorescent lighting fixtures -- occupancy sensors, low-flow toilets, low-flow urinals, and push-button faucets. The hospital projects, besides the above mentioned energy-efficient measures, could include the installation of combined heat and power systems, solar photovoltaic systems large capital equipment – boilers, chillers, freezers, coolers, laundry equipment. In 2013, The V.I. Senate authorized the Public Finance Authority to issue $35 million in bonds to fund these projects under this program. Currently, this project has been put hold while a new funding source is identified. Expected electrical savings before debt service is estimated at $4.4 million annually.

Other energy conservation projects include the VI Waste Management Authority and the VI Port Authority with the VIEO providing its contracted Electrical Service Companies (ESCOs) under Memorandums of Understanding with each entity.

Additionally, the VIEO purchased and installed 325 Energy Star-rated light bulbs to replace the candelabra bulbs in the chandeliers in both Government Houses through the Government Energy Demand Reduction Program under a State Energy Program (SEP) grant. The bulbs were purchased for $7,475 and the projected savings from the LED bulbs are estimated at $50,950 for the year. Savings are expected to last for the anticipated 5 years of the bulbs useful life.

Furthermore, the VIEO purchased the first two all-electric vehicles for the Government fleet as part of a State Energy Program demonstration project. This marks a significant milestone in what we believe will inevitably become a catalyst for change in the Government's transportation infrastructure. Electric, as well as solar charging stations have been procured to power the vehicles in both districts.

The VIEO also collaborated with the Department of Public Works and aided marketing efforts and promotion of the new VITRAN buses with the Skip the Fuss, Ride the Bus campaign in FY15 and also funded $50,000 in solar water heater rebates to assist residents wishing to switch from conventional water heaters, through a State Energy Program (SEP).

The very first Virgin Islands KidWind Challenge hosted by the Energy Office and the University of the Virgin Islands' Caribbean Green Technology Center commenced in 2014. The competition provided a territory-wide opportunity for high school students to create wind turbine and gauge the electrical output in a competitive atmosphere. This year's Challenge will take place during the month of April at the St. Croix Education Complex.

In furtherance of its collaborative efforts, the VIEO participated in the Caribbean Renewable Energy Forum which hosted energy ministers from all the Caribbean nations. During that forum plans began for the Caribbean Clean Energy Technology Symposium ("CCETS") which took place March 24-27, 2015 in the US Virgin Islands and will be the first in a series of three annual gatherings. The CCETS was jointly hosted by Caribbean Central American Action group, the United States Department of Energy, and the Government of the United States Virgin Islands. Industry experts and state officials

from various Caribbean nations will be participating in the symposium focused on energy efficiency and renewable energy technology in the tropics.

Key stakeholder partners for CCETS included The Caribbean Council; the Caribbean Electric Utilities Services Corporation (CARILEC); the Caribbean Green Technology Center of the University of the Virgin Islands; The Caribbean Renewable Energy Forum (CREF); the Caribbean Community (CARICOM); the Institute of the Americas; the Inter-American Development Bank; the U.S. Virgin Islands Economic Development Authority; the U.S. Virgin Islands Energy Office; and the U.S. Virgin Islands Water and Power Authority.

In summary, the government of the Virgin Islands (VI) has taken several steps to reduce its reliance on imported fuel and the cost of electricity by promoting a range of measures including energy efficiency, fuel supply diversification and the promotion of renewable energy resources.

Recognizing the excellent potential for solar PV generation, the VI government has encouraged growth of the local solar market through measures including:

- USVI Energy Road Map has set a long-term vision for the territory, by establishing the goal to reduce the VI's dependence on fossil fuels by 60% by 2025. The VI aims to deploy 9 MW of solar PV and install solar hot water in 40% of VI homes, reducing fossil fuel use by the equivalent of 160,000 barrels of oil per year by 2025.
- Net metering. Enacting the Virgin Islands Renewable and Alternative Energy Act of 2009 ("Act 7075"), which promotes the development of large, utility scale infrastructure and small, homeowner and commercial renewable energy use. Act 7075 allows for net metering of solar PV (5 MW St. Croix, 10 MW collectively on St. Thomas, St. John and Water Island). Homeowners can install up to 20 kW each, businesses 100 kW and government buildings up to 500 kW.
- Import duty exemption. Act 7075 also exempts solar PV systems, including invertors, charge controllers, batteries and solar lights, from customs duties and excise tax.
- Solar PV development.
- Proposed legislation. The VI has proposed feed-in tariff legislation which would further grow the local solar PV market.

The VIEO continues to collaborate with the Virgin Islands Water and Power Authority, the U.S. Department of Energy, and the Department of the Interior through an initiative branded ViEnergize.

This concludes my testimony. I stand ready to answer your questions.