



Legislature of the Virgin Islands

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POST AUDIT DIVISION

June 29, 2016

COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING

VIRGIN ISLANDS ENERGY OFFICE

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BACKGROUND AND HISTORY

The Virgin Islands Energy Office (VIEO) was established by Executive Order 182-1974 to devise and execute energy policy. 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), the Stripper Well Expenditure Plan, and the energy programs of the American Recovery and Reinvestment Act (ARRA) of 2009.

The Virgin Islands Energy Office 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 encapsulated in the Governor's stated 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.

The VIEO continues to collaborate with the Virgin Islands Water and Power Authority, the federal Department of Energy, and the Department of the Interior through an initiative branded ViEnergize. The VIEO has also maintained a professional network in the energy industry that includes other state energy offices, the energy policy advisors of state governors, energy ministers from the various Caribbean islands, and non-profit organizations. The VIEO continues its partnership with local entities to further the development of energy resources in the Territory.

The Virgin Islands is in the midst of a significant transformation in its energy sector. This transformation was necessitated by the current challenges facing the Territory. However, those challenges have generated innovation and focus in rapidly developing our energy infrastructure and resources. The Virgin Islands Energy Office is pleased to be at the forefront of these efforts.

MISSION STATEMENT

The mission of the Virgin Islands Energy Office is to promote sustainable energy policies in the Virgin Islands and encompasses energy production, distribution and consumption through training, outreach, financial incentives, and technical assistance.

BUDGET OVERVIEW

Exhibits I & II display a comparison between the General Fund appropriation for the Virgin Islands Energy Office in the amount of **\$1,201,578** for FY 2016 and the Governor's FY 2017 projection in the amount of **\$1,286,180**.

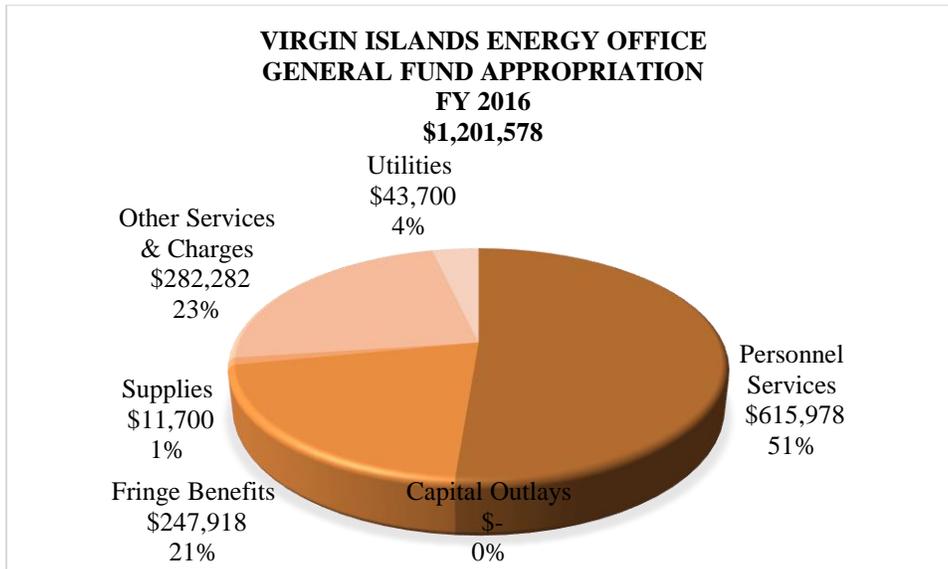


Exhibit I

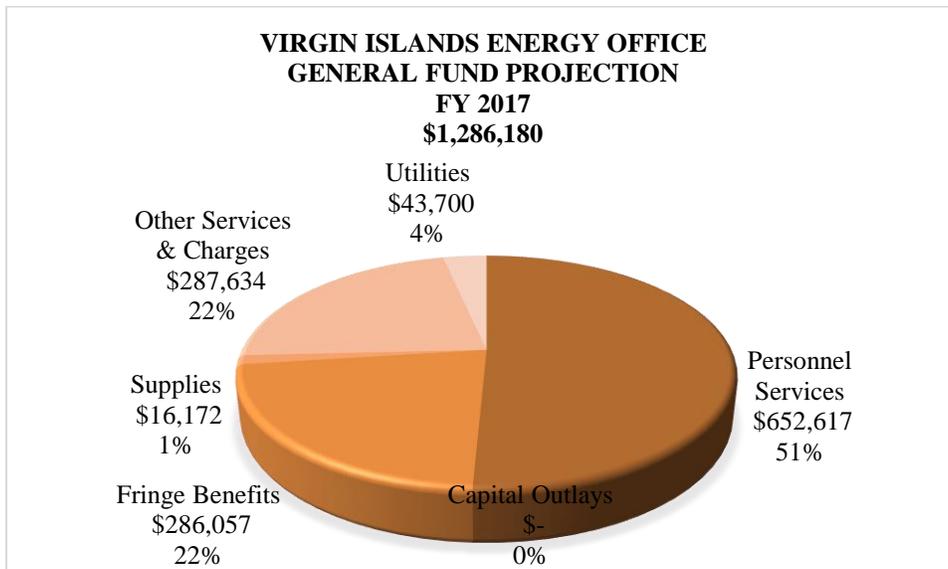


Exhibit II

FISCAL YEAR 2017 BUDGET SUMMARY

The Governor has recommended a General Fund appropriation of **\$1,286,180** for Fiscal Year 2017. The Office is expected to receive additional Federal Funds in the amount of **\$399,630**; totaling **\$1,685,810**. *Exhibit III* compares a three-year Financial Summary for the Virgin Islands Energy Office.

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Description	FY2015 Expenditure	FY2016 Appropriation	2017 Projection	Variance	% Chg
Appropriated Funds:					
Personnel Services	\$ 692,168.08	\$ 615,978.00	\$ 652,617.00	\$ 36,639.00	6%
Capital Outlays	\$ -	\$ -	\$ -	\$ -	0%
Fringe Benefits	\$ 266,782.96	\$ 247,918.00	\$ 286,057.00	\$ 38,139.00	15%
Supplies	\$ 14,686.52	\$ 11,700.00	\$ 16,172.00	\$ 4,472.00	38%
Other Services & Charges	\$ 317,874.32	\$ 282,282.00	\$ 287,634.00	\$ 5,352.00	2%
Utilities	\$ 39,336.31	\$ 43,700.00	\$ 43,700.00	\$ -	0%
Total General Fund	\$ 1,330,848.19	\$ 1,201,578.00	\$ 1,286,180.00	\$ 84,602.00	7%
Total Appropriated Funds	\$ 1,330,848.19	\$ 1,201,578.00	\$ 1,286,180.00	\$ 84,602.00	7%
Federal Fund					
Personnel Services	\$ 28,690.00	\$ 75,000.00	\$ 92,570.00	\$ 17,570.00	23%
Capital Outlays	\$ -	\$ -	\$ -	\$ -	0%
Fringe Benefits	\$ 10,265.00	\$ 35,129.00	\$ 40,197.00	\$ 5,068.00	14%
Supplies	\$ 7,883.00	\$ 29,243.00	\$ 29,243.00	\$ -	0%
Other Services & Charges	\$ 228,186.00	\$ 431,768.00	\$ 237,620.00	\$ 194,148.00	45%
Utilities	\$ 2,792.00	\$ -	\$ -	\$ -	0%
Total Federal Funds	\$ 277,816.00	\$ 571,140.00	\$ 399,630.00	\$ 171,510.00	30%
Total Non-Appropriated Funds	\$ 277,816.00	\$ 571,140.00	\$ 399,630.00	\$ 171,510.00	30%
Grand Total Funds	\$ 1,608,664.19	\$ 1,772,718.00	\$ 1,685,810.00	\$ 86,903.00	5%

Exhibit III

BUDGET BY ACTIVITY CENTER

The Post Audit analysis will include a presentation of the following one (1) functional area within the Agency as submitted.

Org 27500 Energy Office

Functional Statement:

The Energy Office oversees developing, planning, and implementing of applicable U.S. Department of Energy (USDOE) grant programs, thereby ensuring efficiency and accountability of all energy conservation/renewable energy programs. This center is responsible for the implementation, monitoring, and evaluation of the State Energy Program (SEP).

The Energy Office is expected to receive one hundred percent (100%) of the Agency's General Fund budget in the sum of **\$1,286,180** for Fiscal Year 2017. This is **\$84,602** more than the total recommended for Fiscal Year 2016, due to an increase in Personnel Services, Fringe Benefits, Supplies and Other Services & Charges.

	Personnel Services	Capital Outlay	Fringe Benefits	Supplies	Other Svcs. & Chgs.	Utilities	Total	% Change
FY 17	\$ 652,617.00	\$ -	\$286,057.00	\$ 16,172.00	\$287,634.00	\$ 43,700.00	\$ 1,286,180.00	7%
FY 16	\$ 615,978.00	\$ -	\$247,918.00	\$ 11,700.00	\$282,282.00	\$ 43,700.00	\$ 1,201,578.00	
Variance	\$ 36,639.00	\$ -	\$ 38,139.00	\$ 4,472.00	\$ 5,352.00	\$ -	\$ 84,602.00	

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Personnel Services cost for the VIEO in Fiscal Year 2017 will cover approximately fourteen (14) positions under the General Fund. The Office will see an increase in Personnel Services and Fringe Benefits in the amount of **\$74,778**.

Fund 100 - VIEO	Total Positions	Total Personal Services Cost
Unclassified Filled	9.5	\$ 513,000
Unclassified Vacant	0	\$ -
Classified Filled	2.5	\$ 85,908
Classified Vacant	0	\$ -
Adjustment	2	\$ 53,709
Total Fund 100 - VIEO	14	\$ 652,617

RENTAL PROPERTY

The VIEO's Fiscal Year 2017 has property rental listing of **\$130,691**. *Exhibit IV* displays a listing of VIEO's rental property.

Landlord	Address	Sq. Ft	Annual Rent	Funding Source	Status /Comments
Tutu Park LTD.	4605 Tutu Park Mall Ste. 231, St. Thomas, VI 00802	2,760	\$ 50,000	General Fund	Office rental space in St. Thomas (April 2010)
Zephyrinus Thomas	#41 Mars Hill, Frederiksted, St. Croix, VI 00841	4,300	\$ 70,821	General Fund	Office rental space in St. Croix (March 2010)
Sunself Storage	41A Barren Spot, Christiansted, St. Croix, 00851	150	\$ 4,740	Federal Fund	Storage rental in STX for outreach/demo & solar equipment.
Fortress Storage	Sugar Estate Pk. No 52F-1 Est. Thomas, St. Thomas, VI 00802	100	\$ 1,590	Federal Fund	Storage rental in STT for supplies, equipment, outreach demonstration products.
Sunny Isles Storage	PO Box 5994, St. Croix, VI 00820	200	\$ 3,540	Federal Fund	Storage rental in STX for outreach/demo & solar equipment.
Total		7,510	\$ 130,691		

Exhibit IV

PROFESSIONAL SERVICES CONTRACTS

Exhibit V provides a listing of the Professional Services Contracts for FY 2015.

Vendor Name	Contract #	Period	Purpose	Type of Service	Fund	Status
Energy System Group	GC001VE014	2/21/13 - 2/21/15	Master Energy Service Agreement to secure services of a Energy Service Company for government agencies that want to participate in the Government Energy Saving Program	Energy and Electrical Engineering	Federal & PFA	On Going
FPL/Nextera	GC026VE014	2/14/2014	Master Energy Service Agreement to secure services of a Energy Service Company for government agencies that want to participate in the Government Energy Saving Program	Energy and Electrical Engineering	PFA	On Going
Bostonia	PC051VE014	9/16/15 - 3/16/16	Coordinate and negotiate contract agreements with ESCOs and secure funding	Contact management and Financing	PFA	Negotiating Reinstatement and Amendment
Jerome S. Paige & Associates	N/A	6 Months	Territorial Energy Assurance Plan	Develop and finalize Energy Assurance Plan	Federal	Execution Phase

Exhibit V

VEHICLES

Exhibit VI provides a listing of the Energy Office vehicles for FY 2016. Fiscal Year 2015 Gas Consumption totaled \$1,900.00 while Maintenance totaled 15,689.00. As of May 9, 2016 Gas Consumption equaled \$950.00 and Vehicle Maintenance equaled \$2,517.92. No district or vehicle breakdown was provided.

Year	Make	Model	Funding Source	Condition	Office	Plate No.
2010	Ford	Escape	Federal	Good	STT	GO-22
2010	Ford	Escape	Federal: ARRA	Good	STT	GO-43
2009	Toyota	Prius	Federal: SEP	Good	STT	GO-37
2007	Chevrolet	Silverado	Federal	Fair	STT	GO-39
2010	Ford	Escape	Federal: ARRA-WAP	Good	STX	GO-29
2010	Toyota	Prius	Federal: SEP	Good	STX	GO-49
2007	Chevrolet	Silverado	Federal: SEP	Fair	STX	GO-40
2003	Honda	DBL	Federal: SEP	Fair	STX	GO-41

Exhibit VI

FEDERAL GRANTS

Exhibit VII provides a listing of the Virgin Islands Energy Office federal grants for FY 2017.

Virgin Islands Energy Office					
Grant Start Date	Expiration	Project No.	CFDA No.	Award Title	Awarded
10/1/2010	9/30/2015	FZ849	81.041	State Energy Program	\$220,000
10/1/2015	9/30/2016	F2701	81.042	State Energy Program	\$214,860
10/1/2015	9/30/2016	F2702	81.042	Weatherization Assistance Program	\$185,592
Total					\$620,452

Exhibit VII

SUMMARY

The VI Energy Office Fiscal Year 2017 Governor’s Recommendation Budget is as follows:

<u>\$ 1,286,180</u>	General Fund FY 2017 Recommended Budget
\$ 1,286,180	FY 2017 Total Appropriated Funds
<u>\$ 399,630</u>	Federal Funds FY 2017
\$ 1,685,810	Total Recommended FY 2017 Operating Budget



Jose L. George
 Post Auditor

APPENDIX I

LEGISLATURE OF THE VIRGIN ISLANDS
 POST AUDIT DIVISION

COMMITTEE ON FINANCE
 BUDGET HEARING FISCAL YEAR 2017
 VIRGIN ISLANDS ENERGY OFFICE
 PERSONNEL LISTING

POSITION TITLE	SALARY		STATUS
270 VIRGIN ISLANDS ENERGY OFFICE			
27500 VIRGIN ISLANDS ENERGY OFFICE			
275001 VIRGIN ISLANDS ENERGY OFFICE			
<u>UNCLASSIFIED</u>			
ADMINISTRATIVE AIDE	\$ 35,000		FILLED
ADMINISTRATIVE SPECIALIST	\$ 55,000		FILLED
AUDIT INSPECTOR	\$ 20,000		FILLED
DEPUTY DIRECTOR	\$ 70,000		FILLED
DIR VI ENERGY OFFICE	\$ 95,000		FILLED
EXECUTIVE ADMINISTRATIVE ASSISTANT	\$ 45,000		FILLED
FINANCIALPROGRAM COORDINATOR	\$ 50,000		FILLED
FISCAL TECHNICIAN	\$ 40,000		FILLED
GRANTS PROGRAM COORDINATOR	\$ 30,000		FILLED
GRANTS PROGRAM COORDINATOR	\$ 25,000		FILLED
PROGRAM SPECIALIST	\$ 48,000		FILLED
SUB-TOTAL	\$ 513,000	9.5	
<u>CLASSIFIED</u>			
ADMINISTRATIVE OFFICER I	\$ 25,000		FILLED
ENERGY ANALYST II	\$ 17,570		FILLED
JUNIOR COMPUTER PROGRAMMER	\$ 43,338		FILLED
SUB-TOTAL	\$ 85,908	2.5	
<u>ADJUSTMENT</u>			
LUMP SUM	\$ 32,209		
LUMP SUM	\$ 19,500		
OVERTIME SALARIES	\$ 2,000		
SUB-TOTAL	\$ 53,709	2	
275001 FUND 100 TOTAL	\$ 652,617	14	
<u>UNCLASSIFIED</u>			
GRANTS PROGRAM COORDINATOR	\$ 30,000		FILLED
AUDIT INSPECTOR	\$ 20,000		FILLED
GRANTS PROGRAM COORDINATOR	\$ 25,000		FILLED
SUB-TOTAL	\$ 75,000	1.5	

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CLASSIFIED			
ENERGY ANALYST II	\$ 17,570		
SUB-TOTAL	\$ 17,570	0.5	
275001 FUND 3100 TOTAL	\$ 17,570	2	
275001 ACTIVITY	\$ 670,187	16	
27500 DIVISION	\$ 670,187	16	
270 DEPARTMENT	\$ 670,187	16	
FUND 100			
UNCLASSIFIED FILLED	\$ 513,000	9.5	
UNCLASSIFIED VACANT	\$ -	0	
CLASSIFIED FILLED	\$ 85,908	2.5	
CLASSIFIED VACANT	\$ -	0	
ADJUSTMENTS	\$ 53,709	2	
SUB-TOTAL	\$ 652,617	14.0	
FUND 3100			
UNCLASSIFIED FILLED	\$ 75,000	1.5	
UNCLASSIFIED VACANT	\$ -	0	
CLASSIFIED FILLED	\$ 17,570	0.5	
CLASSIFIED VACANT	\$ -	0	
ADJUSTMENTS	\$ -	0	
SUB-TOTAL	\$ 92,570	2.0	
GRAND TOTAL	\$ 745,187	16	