

COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

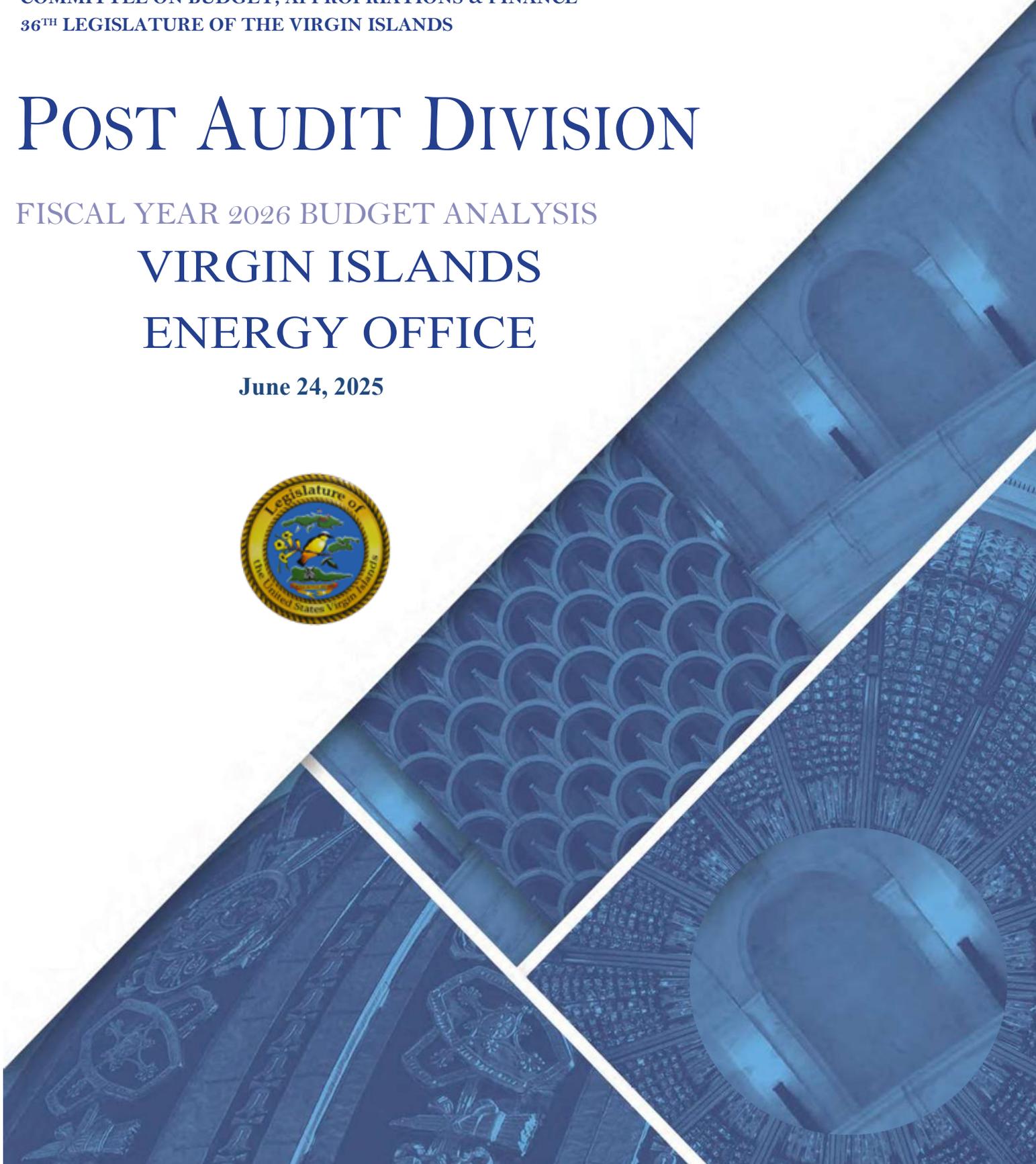
POST AUDIT DIVISION

FISCAL YEAR 2026 BUDGET ANALYSIS

VIRGIN ISLANDS

ENERGY OFFICE

June 24, 2025



COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

POST AUDIT DIVISION

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DEPARTMENT'S OVERVIEW

The **Virgin Islands Energy Office (VIEO)** was established by Executive Order 182-1974 with the mission to develop, implement, and oversee energy policies that guide the territory towards a sustainable and resilient energy future. VIEO is responsible for formulating and coordinating strategies that focus on energy conservation, management, and distribution across the Virgin Islands.

Key Objectives:

- **Reduce the cost of energy:** Implement policies and programs that help decrease energy expenses for consumers and businesses.
- **Improve energy efficiency:** Enhance the effectiveness of energy use in both production and consumption.
- **Promote clean energy:** Support the transition to renewable energy sources, such as solar, wind, and geothermal, to reduce environmental impact.
- **Expand energy diversity:** Encourage the adoption of various energy sources to ensure reliability and sustainability.

VIEO's efforts are focused on advancing clean energy production, improving the energy infrastructure, and ensuring that the Virgin Islands remains resilient in the face of environmental challenges.

VIRGIN ISLANDS ENERGY OFFICE AT A GLANCE

The Virgin Islands Energy Office was appropriated **\$1,556,269** for Fiscal Year 2025 under Act No. 8916.

FUND FLOW ANALYSIS

The Agency's Fiscal Year 2025 fund flow analysis outlines the VIEO's budget across five key components: appropriations, allotted amount, obligations, expenditures and balance available; and notes that the obligations reflect commitments made through June 17, 2025.

Dept.	Fund Source	Appropriation	Allotted	Obligated as of June 17, 2025	Expended as of June 17, 2025	Balance	Remarks
VIEO	General	\$1,542,269	\$1,028,138	\$887,061	\$\$887,061	\$655,208	\$514,131 not allotted

Exhibit I

FISCAL YEAR 2026 BUDGET SUMMARY

The Governor has recommended a General Fund appropriation of **\$1,554,499** for Fiscal Year 2026. In Fiscal Year 2025, VIEO's budget ceiling was reduced by **\$14,000** due to the removal and transfer of utility costs to the Single Payer Utilities Fund. *Exhibit II* compares a three-year Financial Summary for the Virgin Islands Energy Office.

Description	FY 2024 Actuals	FY 2025 Budget Act 8916	FY2026 Recommendation	Variance	% Chg
General Fund:					
Personnel Services	\$ 824,198	\$ 873,489	\$ 873,739	\$ 250	0%
Fringe Benefits	366,046	391,105	402,113	11,008	3%
Supplies	14,539	25,300	23,300	2,000	8%
Other Services & Charges	283,755	252,375	241,347	11,028	4%
Utilities	-	14,000	14,000	(14,000)	100%
Capital Outlays	-	-	-	-	-
Total General Fund	\$,488,538	\$ 1,556,269	\$ 1,554,499	\$ 1,770	0%
Description	FY 2024 Actuals	FY 2025 Revised Budget	FY2026 Recommendation	Variance	% Chg
Federal Fund:					
Personnel Services	\$ 82,343	\$ 3,641,085	\$ 730,832	\$ 2,910,253	80%
Fringe Benefits	45,410	1,746,873	302,303	1,444,570	83%
Supplies	104,589	1,047,700	2,050,902	1,003,202	96%
Other Services & Charges	740,433	106,442,732	119,393,857	12,951,125	12%
Capital Projects	585,348	-	1,817,952	(1,817,952)	100%
Total Federal Fund	\$ 1,558,123	\$ 112,878,390	\$ 124,295,846	\$ 11,417,456	10%

Exhibit II

The recommended federally funded appropriations for Fiscal Year 2026 reflect key shifts in expenditure priorities when compared to FY 2025. Notably, **Personnel Services decreased significantly** from **\$3,641,085 in FY 2025 to \$730,832 in FY 2026**, representing **a reduction of approximately 80%**. This sharp decline may suggest a reallocation of resources away from direct staffing costs toward operational or programmatic needs.

Conversely, **Supplies nearly doubled**, increasing from **\$1,047,700 to \$2,050,902**, marking a **growth of 96%**. This suggests an intensified focus on material readiness, logistics, or equipment procurement in the upcoming fiscal year.

In the category of Other Services & Charges, the appropriation **rose from \$106,442,732 to \$119,393,857; an increase of \$12,951,125 or 12.2%**. **Despite the \$12.9 million increase in this category, the Agency was unresponsive to inquiries from the Post Audit Division regarding the planned use of the recommended federal funds.**

Additionally, the FY 2026 recommendation includes **\$1,817,952** for Capital Projects, a new line item not present in the FY 2025 federal funding plan, signifying an expanded effort toward infrastructure development or fixed asset acquisition.

These variances illustrate a strategic realignment of federally funded priorities, with reductions in personnel offset by increases in operational and contractual expenditures to meet evolving programmatic objectives. **However, there is concern that no proposed services have been listed by the Virgin Islands Energy Office under Professional Contracts, raising questions about the intended use of increased funds allocated under Other Services & Charges.**

PERSONNEL SERVICES

For Fiscal Year 2026, the Governor has recommended a General Fund appropriation of **\$873,739** for the Virgin Islands Energy Office. This reflects a modest increase of **\$250** over the FY 2025 appropriation of **\$873,489**. This slight increase reflects a job promotion within the agency, elevating the position of Grants Program Manager to Grants Manager. A detailed directory of Virgin Islands Energy Office personnel is available in **Appendix I**.

Virgin Islands Energy Office			Position Classification				Adjustments
Fiscal Year 2025			Unclassified		Classified		
Fund Name	Pos #	FY 2025 Budget	Pos #	Total	Pos #	Total	Total
<i>General Fund</i> – 0100	15	\$ 873,489	14	\$ 816,100	1	\$ 53,389	-
<i>Federal Grant</i> – 3100	4	\$ 3,641,085	3	\$ 82,100	1	\$ 37,832	-
Grand Total	19	\$ 4,514,574	17	\$ 898,200	2	\$ 91,221	-
Virgin Islands Energy Office			Position Classification				Adjustments
Fiscal Year 2026			Unclassified		Classified		
Fund Name	Pos #	FY 2026 Budget	Pos #	Total	Pos #	Total	Total
<i>General Fund</i> – 0100	13.25	\$ 873,739	12.25	\$ 816,350	1	\$ 53,389	-
<i>Federal Grant</i> – 3100	10.75	\$ 730,832	9.75	\$ 814,850	1	\$ 37,832	-
Grand Total	24	\$ 1,604,571	22	\$1,631,200	2	\$ 91,221	-

Exhibit III

Five federally funded vacancies were reported by VIEO for Fiscal Year 2026. While no specific position titles were provided, the vacancies are budgeted as follows:

- Two positions at **\$105,000** each
- One position at **\$80,000**
- One position at **\$75,000**
- One position at **\$30,000**

These figures represent a combined total of **\$395,000** in federally funded personnel allocations.

OTHER SERVICES & CHARGES

Exhibit IV presents a comparative analysis of expenditures for Fiscal Year 2024, the revised budget of Fiscal Year 2025, and the Governor’s recommended budget for Fiscal Year 2026 under the Other Services and Charges line item.

Description	FY2024 Expenditures	FY 2025 Revised Budget	FY2026 Recommended	Variance	% Chg
General Fund					
Repairs & Maintenance	\$ 4,792	\$ 8,000	\$ 8,000	\$ (8,000)	100%
Automotive Repair & Maintenance	2,555	4,000	4,000	(4,000)	100%
Rental of Land/Buildings	98,072	118,095	118,095	(18,095)	100%
Rental of Machines/Equipment	9,793	12,000	12,000	(12,000)	100%
Professional Services	86,401	20,080	20,080	(20,080)	100%
Security Services	1,865	3,000	3,000	(3,000)	100%
Training	0	2,000	1,500	500	25%
Communication	43,815	55,000	52,772	2,228	4%
Advertising and Promotion	3,472	2,000	1,500	500	25%
Printing and Binding	65	1,200	800	400	33%
Transportation- Not Travel	1,070	1,000	600	400	40%
Travel	10,517	7,000	7,000	(7,000)	100%
Travel/Cash Advance	5,188	7,000	0	(7,000)	100%
Purchase Bulk Airline	7,000	7,000	7,000	(7,000)	100%
Relief To Individuals	2,997	5,000	0	(5,000)	100%
Other Services NOC	6,152	0	5,000	(5,000)	100%
General Fund Total – 0100	\$ 283,754	\$ 252,375	\$ 241,347	\$ 11,028	4%
Description	FY2024 Expenditures	FY 2025 Revised Budget	FY2026 Recommended	Variance	% Chg
Federal Grants All Expect DOE – 3100					
Repairs & Maintenance	\$ 8,530	\$ 0	\$ 0	\$ 0	100%
Automotive Repair & Maintenance	7,900	0	0	0	100%
Rental of Land/Buildings	11,177	0	0	0	100%
Rental of Machines/Equipment	695	0	0	0	100%
Professional Services	204,374	0	0	0	100%
Training	71,754	0	0	0	100%
Communication	20	0	0	0	100%
Advertising and Promotion	87,334	0	0	0	100%
Transportation- Not Travel	2,377	0	0	0	100%
Travel	16,672	0	0	0	100%
Travel/Cash Advance	22,583	0	0	0	100%
Purchase Bulk Airline	5,160	0	0	0	100%
Relief To Individuals	171,384	0	0	0	100%
Other Services NOC	11,474	106,442,732	119,393,857	12,951,125	12%
Subsides	119,000	0	0	0	100%
Federal Grants All Expect DOE Total – 3100	\$ \$740,434	\$ 106,442,732	\$ 119,393,857	\$ 12,951,125	12%
Other Services & Charges Total	\$ 1,024,188	\$ 106,695,107	\$ 119,635,204	\$ 12,940,097	12%

Exhibit IV

A 12% increase in funding is recommended for the sub-category identified as Other Services NOC; **VIEO was unresponsive to inquiries from the Post Audit Division regarding the planned use of the recommended federal funds.**

LEASES /RENTAL

Exhibit V lists all leased properties currently rented by Virgin Islands Energy Office.

Lessor	Address	Terms	Annual Rent
ZEFO'S ENTERPRISE, LLC	#2 Estate Carlton, Suite 3 Frederiksted, STX VI 00840	NET 30	\$ 54,000
ST. THOMAS PROPERTIES, LLC	8000 Nisky Center, Suite 208 STT, VI 00802	NET 30	\$ 51,591
PRIME STORAGE, STX, LLC	Unit J3 41A Barren Spot, Kingshill STX, VI 00850	NET 30	\$ 4,920
PRIME STORAGE, STT, LLC	Unit C212 9160 Estate Thomas STT, VI 00802	NET 30	\$ 7,584
TOTAL: 4			\$ 118,095

Exhibit V

PROFESSIONAL SERVICES CONTRACTS

Exhibit VI displays the Agency's Professional Services submission for FY 2026.

Vendor	Type Of Service	Funding Source	Annual Payment
Classy Cleaning	Specialty Service	General Fund	\$ 8,424
VI Cleaning Service	Specialty Service	General Fund	8,320
Oliver Exterminating, STT	Specialty Service	General Fund	960
Xperts Exterminating	Specialty Service	General Fund	2,376
Total			\$ 20,080

Exhibit VI

VEHICLE

The Virgin Islands Energy Office maintains a fleet of 10 fully electric vehicles, with 3 assigned to the St. Thomas/St. John district and 7 to the St. Croix district. **All vehicles are electric, there are no gasoline expenses incurred.**

Total maintenance charges for both districts amount to **\$1,798**. Of the 10 vehicles, one is assigned to the Director, while the remaining nine are allocated under Administration. A detailed inventory of the fleet is provided in **Appendix II**.

FEDERAL GRANTS

Exhibit VII provides a comprehensive list of federal grants currently administered by the Virgin Islands Energy Office. Several entries within the exhibit are **highlighted to indicate a reported zero balance** by VIEO; however, **expenditures to date suggest that \$689,823 unexpended funds may still remain** from the originally appropriated amounts.

As of **close of business on Friday, June 20, 2025**, inquiries made regarding the status and availability of these remaining funds had not been addressed.

Grant	Fund Source	Appropriation	Expended As of June 16, 2025	Balance
F2710 VI Gov't Operations & Fleet Electrification & Energy-Efficient Transition	Department of Interior	\$ 1,154,000	\$ 1,023,804	\$130,196 As recalculated by Post Audit
F2712 VI GO FLEET- Vehicle & Charging Infrastructure	Department of Interior	900,000	501,150	398,850 As recalculated by Post Audit
F2717 VIEO Energizing Insular communities Go Fleet, VIEnergize and Micro-Grid	Department of Interior	3,935,000	586,973	2,348,027
Sub-Total	3	\$ 5,989,000	\$ 2,111,928	\$2,348,027
F2708 SEP BIL -Virgin Islands	Department of Energy	\$ 2,590,850	468,404	1,047,444
F2709 SEP Formula -Virgin Islands	Department of Energy	959,050	798,273	160,777 As recalculated by Post Audit
F2711 Weatherization Assistance Program - Virgin Islands	Department of Energy	1,127,022	681,381	264,195
F2713 WAP BIL - Virgin Islands	Department of Energy	1,658,204	141,323	1,110,388
F2715 BIL: Preventing Outages and Enhancing the Resilience of the Electric Grid	Department of Energy	3,128,679	-	3,128,679
F2716 BIL: EECBG -Exec. Office of the Govt of the VI	Department of Energy	1,562,180	55,798	1,021,023
F2720 Home Energy Efficiency Rebate Program	Department of Energy	25,609,197	-	25,609,197
F2719 High Efficiency Electric Home Rebate Program	Department of Energy	25,511,580	5,566	25,506,014
F2721 SEP Energy Efficiency Revolving Loan Fund	Department of Energy	576,170	5,165	579,170
F2723 SEP Formula - Virgin Islands	Department of Energy	667,312	80,353	317,877

Grant	Fund Source	Appropriation	Expended As of June 16, 2025	Balance
F2724 HOME Energy Efficiency Contractor Training	Department of Energy	889,010	-	889,010
Sub-Total	11	\$ 64,279,254	\$2,236,264	\$59,469,997
F2718 USVI Climate Action Plan to reduce GHG Emissions & Other Pollutants	Environmental Protection Agency	\$ 500,000	-	500,000
F2722 USVI SOLAR FOR ALL	Environmental Protection Agency	62,450,000	5,270	62,043,780
Sub-Total	2	\$ 62,950,000	\$ 5,270	\$ 62,543,780
Total Grants	16	\$ 133,218,254	\$ 4,353,461	\$124,361,804

Exhibit XIV

Not including the highlighted entries recalculated by the Post Audit Division, the Virgin Islands Energy Office reported total grants in the amount of \$124,361,804 for Fiscal Year 2026; an increase of \$65,958 or approximately 0.05% over the \$124,295,846 reported in the Governor’s Executive Budget.

OUTSTANDING VENDOR PAYMENTS

The Virgin Islands Energy Office does not have any outstanding vendor payments as of June 17, 2025.

SUMMARY

The Virgin Islands Energy Office’s Fiscal Year 2026 Governor’s recommended budget is as follows:

\$ 873,739	Personnel Services
402,113	Fringe Benefits
23,300	Supplies
241,347	Other Services & Charges
14,000	Utilities
\$1,554,499	Fiscal Year 2026 Recommended Budget



Theodora Philip, DBA
Post Auditor

APPENDIX I

VIRGIN ISLANDS ENERGY OFFICE PERSONNEL LISTING

Position Name	FY 2025 Salary		FY 2026 Salary		Status
270 Virgin Islands Energy Office					
27500 Virgin Islands Energy Office					
3100 Federal Grant					
UNCLASSIFIED					
AUDIT INSPECTOR	\$ 20,600	1	\$ 20,600	0.5	FILLED
ENERGY POLICY ANALYST	\$ 65,000	1	\$ 65,000	1	FILLED
CONTRACT ADMINISTRATOR	\$ 60,000	1	\$ 60,000	1	FILLED
FEDERAL PROGRAMS SUPPORT SPECIALIST	\$ 50,000	1	\$ 50,000	1	FILLED
HR AND LABOR RELATIONS MANAGER	\$ 78,000	1	\$ 78,000	1	FILLED
GRANTS PROGRAM COORDINATOR	\$ 21,000	1	-	-	?
DEPUTY DIRECTOR	\$ 85,000	1	\$ 85,000	1	FILLED
SENIOR ENERGY ENGINEER	\$ 60,000	1	\$ 60,000	1	FILLED
PROGRAM SPECIALIST	\$ 48,000	1	\$ 48,000	1	FILLED
EXECUTIVE ADMINISTRATIVE ASSISTANT	\$ 63,000	1	\$ 63,000	1	FILLED
DIRECTOR	\$ 115,000	1	\$ 115,000	1	FILLED
FISCAL AND BUDGET MANAGER	\$ 78,000	1	\$ 78,000	1	FILLED
FISCAL OPERATIONS SPECIALIST	\$ 50,000	1	\$ 50,000	1	FILLED
ADMINISTRATIVE COORDINATOR	\$ 22,500	1	\$ 22,500	0.5	FILLED
GRANTS MANAGER	-	-	\$ 21,250	0.25	FILLED
SUB-TOTAL	\$ 816,100	14	\$ 816,350	12.25	
CLASSIFIED					
ENERGY ANALYST II (USW)	\$ 53,389	1.00	\$ 53,389	1.00	FILLED
SUB-TOTAL	\$ 53,389	1.00	\$ 53,389	1.00	
ADJUSTMENTS					
OVERTIME SALARIES	\$ 4,000		\$ 4,000		
SUB-TOTAL	\$ 4,000		\$ 4,000		
27500 FUND 100 TOTAL	\$ 873,489	15	\$ 873,739	13.25	
270 Virgin Islands Energy Office					
27500 Virgin Islands Energy Office					
3100 Federal Grant					
UNCLASSIFIED					
AUDIT INSPECTOR	\$ 20,600	1	\$ 20,600	0.5	FILLED
GRANTS PROGRAM COORDINATOR	\$ 39,000	1		?	FILLED?
ADMINISTRATIVE COORDINATOR	\$ 22,500	1	\$ 22,500	0.5	FILLED
ENERGY PROJECT MANAGER			\$ 83,000	1	FILLED
ADMINISTRATIVE OFFICER I	-		\$ 30,000	1	FILLED
VACANT	-		\$ 80,000	0.5	VACANT
PUBLIC INFORMATION OFFICE	-		\$ 105,000	1	FILLED
VACANT	-		\$ 105,000	1	VACANT
VACANT	-		\$ 30,000	1	VACANT
VACANT	-		\$ 75,000	0.5	VACANT
VACANT	-		\$ 105,000	1	VACANT
CHIEF ENGINEER	-		\$ 95,000	1	VACANT
GRANTS MANAGER	-		\$ 63,750	0.75	FILLED
SUB-TOTAL	\$ 82,100	3	\$ 814,850	9.75	

Position Name	FY 2025 Salary		FY 2026 Salary		Status
CLASSIFIED					
ADMINISTRATIVE OFFICER I	\$ 37,832	1	\$ 37,832	1	FILLED
SUB-TOTAL	\$ 37,832	1	\$ 37,832	1	
27500 3100 FUND TOTAL	\$ 119,932	4	\$ 852,682	10.75	
TOTAL VIEO FY 2026	\$ 993,421	19	\$ 1,726,421	24	

- Position changed from *Grants Program Coordinator* to *Grants Manager*

APPENDIX II

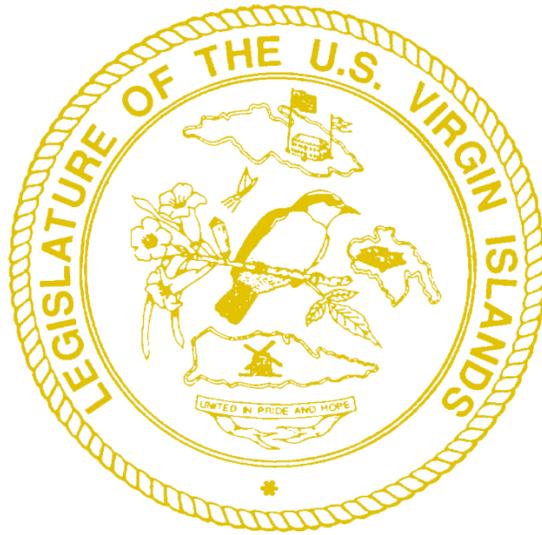
VIRGIN ISLANDS ENERGY OFFICE

ST. THOMAS/ST. JOHN DISTRICT VEHICLE LISTING

Year	Make	Model	Division	Funding Source	Lease/ Own	Condition	Maintenance Cost FY 2024	Plate
2022	Tesla	3	Administration	Federal	Own	New	\$0	EO-06
2022	Tesla	Y	Administration	Federal	Own	New	\$0	EO-02
2022	Tesla	Y	Administration	Federal	Own	New	\$605	EO-04
TOTAL: 3							\$605	

ST. CROIX DISTRICT VEHICLE LISTING

Year	Make	Model	Division	Funding Source	Lease/ Own	Condition	Maintenance Cost FY 2024	Plate
2022	Tesla	3	Administration	Federal	Own	New		EO-05
2022	Tesla	Y	Administration	Federal	Own	New		EO-11
2022	Tesla	Y	Administration	Federal	Own	New		EO-09
2019	Nissan	Leaf	Administration	Local	Own	Good	\$1,193	CHZ-255
2023	Ford	E-Transit	Administration	Federal	Own	New		EO-13
2023	Ford	Lightning	Administration	Federal	Own	New		EO-19
2023	Ford	Lightning	Administration	Federal	Own	New		EO-17
TOTAL = 10							\$1,193	



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- POST AUDIT DIVISION -

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