

November 13, 2025

The Honorable Milton E. Potter
President
36th Legislature of the Virgin Islands

RE: Approval of Major Coastal Zone Management Permit Nos. CZMJL0017-25 and
CZMJL0018-25

Good day Senate President Potter, other members of the 36th Legislature present, legislative staff, and members of the viewing and listening public, my name is Christian Loranger, Manager of VIElectron LLC and CBLVI, LLC. I am here today in support of the request for the 36th Legislature to waive the requirements of the Coastal Zone Management (CZM) Act and approve major CZM Permit Nos. CZMJL0017-25 and CZMJL0018-25 for the development of solar farms in Estate Fortuna and Estate Bovoni, respectively. Please note that commissioner Oriol's presentation will explain the necessity for the accelerated schedule we are seeking today, due to the Trump administration, the one big beautiful bill, and the changes that the head of the Treasury made to reduce the benefits of Solar investment tax credit and the time frames associated with the benefits. In the interest of time, I will not repeat those facts and instead concentrate on the projects themselves and the benefit to the USVI.

When I moved my family to the Virgin Islands six years ago, it was not to develop solar projects on the islands. I had no idea what the electrical costs were in the Virgin Islands until I received my first WAPA bill at my home in St John. Being a developer of large scale energy projects in the United States, I began to investigate if the federal benefits from the Inflation Reduction Act could be used in the USVI. Other than the US Treasury Direct Pay option, they could be used in all US Territories. After studying the numbers I could get access to at WAPA, and seeing the bond rating and that approximately 70%+ of the budget went to the purchase of propane and diesel, the only solution to attacking the financial issues at WAPA was to reduce the cost of that 70% plus fuel purchase and raise the bond rating to allow WAPA to be bankable. Encouraged by this I began the difficult process of trying to arrange meetings with the power authority and made absolutely no headway for almost a year. Undeterred, I researched land on the three islands that met the characteristics of: not being used as farmland, available for sale, and in close proximity to electrical infrastructure that could take the power with low upgrade cost, etc. I entered into 6 land agreements on the 3 islands to achieve the goal of power price reduction and reliability. It's critical to note that these are the only available parcels in the Territory that are suitable for utility-scale solar of the size required to solve the issues stated in this testimony.

When I was finally able to enter into discussions with WAPA's previous CEO and his management team I was fought at every turn, as he had an agenda of bringing in his own solar company to the territory. However, being the only company with land and the ability to not ask for any financial assistance from the territory, I was able to sign 5 Power Purchase Agreements with WAPA for the 3 islands.

My intention of entering into these agreements was to work in parallel with WAPA to harmoniously solve WAPA's electricity challenges from both a financial and reliability standpoint. I am pleased to report that with the removal of the previous CEO and the addition of the new management team we are achieving this relationship and results. Last year we synchronized the Petronella and Hogensborg Solar / BESS sites to the WAPA grid for a total of 38 MW Solar and 30 MW of Battery with no financial assistance from the USVI. This power is sold to the Authority for 10.9 cents plus battery service agreement. It should also be noted the way the Power Purchase Agreements were negotiated with the previous WAPA management team, they wanted full responsibility of interconnection costs to connect the projects into the grid. However, with the limited financial capabilities of WAPA, VIElectron took on the role of paying for the interconnection costs of our facilities.

Not only are these projects providing a significant amount of sustainable and renewable energy to the WAPA grid, but the infrastructure of the projects have been engineered to withstand 185 mph winds ensuring no harmonic vibration during a significant wind event. Lessons have been learned after the Donoe project and the engineering that has been invested into these projects will help prevent the past from repeating itself. Insurance is also in place to help safeguard these levels of structural integrity.

In addition to helping solve the problems at WAPA with pricing and reliability, we have also been tackling the bond rating which is currently at C++, this is not bankable and increases the cost of borrowing for both VIElectron and WAPA. I am pleased to report that with the addition of the Petronella and Hogensborg Solar / BESS projects, the bond trade publications have taken note. We are told by our consultants that after the Fortuna and Bovoni projects are interconnected, a bond rating review can take place and the WAPA credit rating can be raised. Again, this credit rating is as important to VIElectron as it is WAPA because our borrowing costs are based on WAPA's credit rating as they are responsible for payment. I think most impressive of all is the fact that with the connection of the Fortuna and Bovoni

projects, the Virgin Islands water and power Authority will be “profitable” on a monthly operating basis for the first time in decades. This is directly related to the current WAPA management / employees and the cost savings from the large scale solar and BESS Sites being constructed by VIElectron / CBLVI, LLC.

The creation of the 501 (C) 3 (nonprofit): “The Virgin Islands Renewable and Affordable Power Company” was created for 3 reasons.

1). It was my belief that one man should not control all of the low-cost power generation in the Virgin Islands in case something were to happen to me.

2). The Treasury rules for the ITC state that a “sale” or transfer of ownership cannot take place within five years of project interconnection. There is no owner of a 501(c)(3), it only has a board of directors and no ownership, therefore whoever takes over the board of directors has control of the projects without a sale or transfer being taken place. This allows for the control of the projects to be taken over by the Virgin Islands water and power authority or a special government entity, to be decided later, once all projects are completed placed into the nonprofit. It should be noted that the first two projects are already owned by the non-profit and the Fortuna and Bovoni projects we are discussing today, will be placed into the nonprofit just before interconnection to the WAPA grid.

3). Because the United States Virgin Islands was one of the only areas within the United States that was not allowed to take place in the Inflation Reduction Act Direct Pay Solar Investment Tax Credit Program with the United States treasury. The nonprofit was formed in Delaware to allow a “direct pay” transaction with the US Treasury investment tax credit program from the Fortuna and Bovoni projects.

In closing, I am a resident of the USVI. I entered in good faith into these project contracts to help the entirety of the USVI population. I have purchased \$10 million in land between the Fortuna and Bovoni sites alone and invested an additional 3 million in civil / solar engineering etc for those locations as well as tens of millions of dollars in equipment purchases for those sites. It has not been easy. I have already lost the ability to build the Frederiksted, Hesselberg property which I purchased for 1 million and invested another 1 million into for solar and civil engineering etc. I originally had 10 years to complete all of these projects. Due to the changes in the US Presidency, House and Senate all going republican in 2024, the passage of the one big beautiful bill, and the outcome of Treasury Secretary, Scott Bessent’s changes related to FOEC rules, we now have a month and a half. These two projects will receive approximately \$200 million from the federal government in the manner that I use the Solar and BESS investment tax credits. I ask today that you allow me to fulfill my mission to bring affordability and reliability to the residents of the United States Virgin Islands.