

***Resolution Supporting the Interconnection of the U.S. Virgin Islands Water and Power
Authority and the Puerto Rico Electric Power Authority***

WHEREAS, The Territory of the U.S. Virgin Islands is considered a rural and isolated area; *and*

WHEREAS, Due to its isolated nature, the Territory has limited ability to interconnect to any major electrical grids; *and*

WHEREAS, The stand-alone nature of its power infrastructure requires that the Territory carry generating reserves far in excess of mainland utilities, which directly contributes to a higher cost of energy in the Territory; *and*

WHEREAS, The Territory's current generating resources are totally dependent on imported fuel oil as its primary source of fuel; *and*

WHEREAS, The price of oil is highly volatile and also contributes to the high cost of energy production in the Territory, and the combustion of oil is highly polluting; *and*

WHEREAS, Distributed generation and renewable energy can increase energy independence, reduce fuel costs, and help develop a viable industry in the U.S. Virgin Islands; *and*

WHEREAS, The costs associated with carrying a higher generating reserve margin (as contrasted with mainland utilities) and dependence on imported fuel oil are ultimately borne by consumers; *and*

WHEREAS, The recently completed Feasibility Report conducted by the U.S. Water and Power Authority (WAPA) on the Interconnection of the WAPA and the Puerto Rico Electric Power Authority (PREPA) has found that such interconnection is economically and technically feasible; *and*

WHEREAS, The Feasibility Report found that a WAPA interconnection with PREPA would result in improved reliability, lower cost, and a reduced carbon footprint; *and*

WHEREAS, It has been the policy of the National Association of Regulatory Utility Commissioners to support the principles of high reliability, economy, reduced environmental footprint, and efficiency in electric power production; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2012 Winter Committee Meetings in Washington, D.C., recognizes that the interconnection between PREPA and WAPA will enhance the principles of reliability, economy, environmental protection, and efficiency in the region and therefore, supports the development and construction of the proposed Interconnection between PREPA and WAPA.

*Sponsored by the Committees on Energy Resources and the Environment and Electricity
Adopted by the NARUC Board of Directors February 8, 2012*