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