

# **NOTIFICATION OF Subgrant AWARD**

## **Virgin Islands Territorial Funds**

THIS AGREEMENT is made this 17<sup>th</sup> day of July 2025 in the Territory of the Virgin Islands, by and between **the Government of the Virgin Islands, Department of Property & Procurement**, on behalf of the **Virgin Islands Energy Office (VIEO)**, 2 Estate Carlton, Suite 3; St. Croix, VI 00840 (hereinafter referred to as “Government” or “Grantor”) and **Virgin Islands Water & Power Authority (VIWAPA), 8189 Subbase St. Thomas, Virgin Islands, USVI 00802**(hereinafter referred to as “Grantee”) in accordance with the following:

**WHEREAS**, the mission of the Virgin Islands Energy Office is focused on the development, implementation and promotion of sustainable energy policies, programs, and projects within in the Virgin Islands.

**WHEREAS, V.I. Code tit. 12, § 1103** establishes that the Director of the Virgin Islands Energy Office:

- (a) Identify, plan, organize, initiate, and sponsor studies, research, and experimental, pilot, and demonstration facilities and projects that would lead to the development and more efficient utilization of present, new, or alternative energy sources in this Territory, to the conservation of energy, to the attraction of federal and other development funding in emerging and established national or territorial priority areas, or to the enhancement of the economic development of the Territory;
- (b) Promote, assist, and provide financial assistance for the development of non-profit corporations organized and established under the laws of the Virgin Islands to further the purposes of this chapter;
- (c) Seek out, apply for, receive, and accept grants, gifts, contributions, loans, and other assistance in any form from public and private sources, including assistance from any agency; and
- (d) Make grants from funds that are appropriated by the Legislature and from gifts or grants obtained under paragraph (c) of this section for the purposes of developing, constructing, or operating experimental, pilot, and demonstration facilities or programs that develop, test, or demonstrate more efficient and environmentally acceptable methods of extracting energy resources; new concepts, programs, or technology for the conservation of energy; new concepts, programs, or technology for the efficient and environmentally acceptable use of present, new, or alternative energy sources; or concepts, programs, or technology which develop resources of the Territory.

**WHEREAS**, the Virgin Islands Energy Office is the local administrator of the federal renewable energy funding & programs from the US Department of Energy, the Environmental Protection Agency’s Green House Gas Reduction Fund, and the US Department of Interior’s Energizing Insular Communities.

**WHEREAS**, on **October, 2<sup>nd</sup> 2023** Virgin Islands Energy Office was awarded **\$3,935,000.00** in federal funding through the Office of Insular Affairs’ Energizing Insular Communities (EIC) grant **D23AP00291**. This Grant is intended to be used for high-priority energy projects, as detailed in VIEO’s EIC grant application.

Award No. G032VEOT25

**WHEREAS**, one of VIEO proposed & approved projects under EIC grant **D23AP00291** was defined as follows:

- **\$540,000** to Recapitalize the VIWAPA **VIEnergize** Initiative.

**WHEREAS**, the Virgin Islands Water and Power Authority (VIWAPA) was created by Act No. 1248 of the Fifth Legislature of the Virgin Islands in 1964. This act established WAPA to manage the production and distribution of electricity and water within the US Virgin Islands.

**WHEREAS**, the Virgin Islands Energy Office historically has worked closely with VIWAPA in regards to the territory's distributed electricity programs and policies such as the Net Energy Billing program, On-Bill Financing for Solar & Battery, and Virtual Power Plant pilot programs.

**WHEREAS**, in **2013**, the Virgin Islands Water and Power Authority launched an initiative called **VIEnergize** to provide customers with energy efficiency programs that can reduce their bills while helping WAPA avoid additional generation. The purpose of the VIEnergize initiative was to help Virgin Islanders change their behavior and make investments that reduce energy costs. The DOI grant that launched the VIEnergize unit was successful in establishing a managerial role within the Authority, however additional support roles were never incorporated.

**WHEREAS**, The last person to occupy the VIEnergize Manager position at VIWAPA was in 2018, since then, the VIEnergize division has been inactive.

**WHEREAS**,\_ Virgin Islands Energy Office recognizes that without the VIEnergize division VIWAPA does not have a dedicated champion of renewable energy, energy efficiency, or emerging technology. The effects of this void have resulted in severe stagnation in strategic planning and implementation of distributed energy resource management at the residential and commercial-scale.

**WHEREAS**, the Virgin Islands Energy Office through EIC grant **D23AP00291** aims to reestablish the VIEnergize Division within the Virgin Islands Water & Power Authority through the strategic funding of the VIEnergize Manager, Energy Engineers, and technical & administrative support staff. The one-year period of performance tied to various roles seeks to highlight the foundation of this unit and provide a runway to transition this division within the organization's operational budget.

**WHEREAS**,\_VIWAPA has already hired the VIEnergize Manager and is in the process of hiring the remaining critical roles.

**WHEREAS**,\_The Virgin Islands Energy Office overarching goal will be to ensure that the Virgin Islands Water and Power Authority is equipped with Distributed Energy Subject matter experts who can leverage advancements in emerging technologies to bolster the financial and operational sustainability of the authority.

**WHEREAS**,\_The Virgin Islands Energy Office's EIC grant **D23AP00291** fully approved and available for draw downs to support the Personnel costs associated with the VIEnergize program within VIWAPA for the one year period of performance of the aforementioned grant.

1. **GRANTOR:** **Government of the United States Virgin Islands *through the***  
**DEPARTMENT OF PROPERTY & PROCUREMENT**  
**Building No 1, Sub Base**  
**St. Thomas, VI 00802**  
*and the*  
**VIRGIN ISLANDS ENERGY OFFICE**  
**2 Estate Carlton**  
**Suite 3**  
**St. Croix, VI 00840**
2. **GRANTEE:** **VIRGIN ISLANDS WATER & POWER AUTHORITY**  
**8189 Subbase**  
**St. Thomas, Virgin Islands,**  
**USVI 00802**
3. **AUTHORIZATION:**  
**US Department of Interior – Energizing Insular Communities - D23AP00291**
4. **TERM OF AWARD & PROJECT PERIOD:** ***March 1st, 2025 through September 30th, 2026.***
5. **TYPE OF AWARD:** **Grant – Personnel Cost Reimbursement.**
6. **PROJECT DESCRIPTION:** The scope of the project funded under this subgrant agreement encompasses the reimbursement of VIWAPA operational personnel costs for the roles associated with the recently reestablished VIEnergize program. The funding provided via this Subgrant Agreement will stand up this critical distributed energy coordination function within the Virgin Islands Water & Power Authority. The 1.5-year period of performance tied to various roles within VIEnergize will serve as a runway to transition this division within the organization's operational budget. This entity will function like a start-up or research & development division within a large technical corporation. The VIEnergize Manager and supporting Engineers will be dedicated to strategic planning of distributed energy resources (DER) at both the residential and commercial scale as well as utility-scale DER coordination. The overarching goal will be to ensure that the Virgin Islands Water and Power Authority is equipped with Distributed Energy subject matter experts who can leverage advancements in emerging technologies to bolster the financial and operational sustainability of the authority.
7. **AMOUNT OF AWARD:** **Five Hundred Forty Thousand, and 00/100 Dollars (\$540,000.00)**
8. **PAYMENT SCHEDULE** The Virgin Islands Energy Office shall reimburse VIWAPA for operational personnel cost associated with the VIEnergize Division. The personnel reimbursement cost will be delivered in accordance with subgrant Reimbursement Terms, which is set forth as **Attachment III**.

9. **TERMS AND CONDITIONS OF AWARD:** This Grant Award is subject to approval and distribution by the Virgin Islands Energy Office. The *Acceptance of Terms and Conditions Grant Award*, which is set forth as *Attachment I* and the *Scope of Services*, set forth as *Attachment II*, set forth in *Attachment III*, and *Approved "Office of Insular Affairs' Energizing Insular Communities (EIC) grant D23AP00291* set forth in *Attachment IV*, shall be executed by Grantee and shall be made a part of this Award.

**NAMES AND SIGNATURES OF AUTHORIZING OFFICIALS**

By: Kyle Fleming  
Kyle Fleming  
Director  
VIRGIN ISLANDS ENERGY OFFICE

Date: 7/2/2025

By: Lisa M. Alejandro  
Lisa M. Alejandro  
Commissioner  
DEPARTMENT OF PROPERTY & PROCUREMENT

Date: 07/17/2025

**ATTACHMENT I**  
***Acceptance of Terms and Conditions Grant Award***

1. Unless revised, the amount of **Five Hundred Forty Thousand, and 00/100 Dollars (\$540,000.00)** is the **APPROVED GRANT AWARD AMOUNT** and it will constitute a ceiling for Territorial Government participation in the approved cost.
2. The award is subject to the appropriation of funds from the Virgin Islands Energy Office and the availability of said funds. The funding source for this Subgrant is The Department of Interiors' – the Office of Insular Affairs' - Energizing Insular Communities (EIC) grant **D23AP00291**.
3. The Utilization of (EIC) grant **D23AP00291** for the purpose of implementing the "Recapitalizing VIEnergize" Program was approved by the Department of Interior on October 2, 2023. (**Attachment IV**)
4. The Grantee understands that funds awarded by this Notification will be released to Grantee in the form of **bi-weekly/Monthly** personnel cost reimbursement in accordance with the reimbursement schedule in Attachment III.
5. The Grantee covenants that no person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this project on account of race, creed, color, sex, religion, national origin or handicap. The Grantee further agrees that information regarding existing architectural barriers in the facility (ies) of the Grantee and plans to remove the same will be submitted to the Virgin Islands Energy Office within **thirty (30) days** of receipt of this *Notification of Grant Award*.
6. [Reserved.]
7. The Grantee agrees that the Virgin Islands Energy Office shall have the right of prior approval for all revisions including, but not limited to, changes in cost categories, program content, and project period.
8. The Grantee agrees that any books, reports, pamphlets, papers, articles and press releases on project activities will contain acknowledgment of the support of the Government.
9. The Grantee agrees to maintain current records of the use of cash and in kind contributions to the project, and further to maintain records of all other funds supplementing the project.
10. The Grantee agrees to maintain adequate records of attendance of paid staff, employees and/or agents in order to facilitate the identification of personnel services identified in the project proposal, and of unpaid volunteers providing in kind services in the project proposal. The Grantee agrees to retain all above-referenced records for the purpose of program review and audit for a period of seven (7) years.

11. In accepting this Award, the Grantee shall operate the project in accordance with the proposal and any modification made by the Virgin Islands Energy Office which is contained in this Notification.
12. The Grantee agrees to exercise continuing effort to secure and/or increase private financial participation with a view towards total independence and private funding.
13. Grantee staff shall attend meetings and training sessions as may be requested by the Virgin Islands Energy Office, providing reasonable notice of the same is given to Grantee.
14. Nothing in this Agreement shall be construed to impose any liability upon Government to persons, firms, associations, or corporations engaged by the Grantee as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of the Grantee or whatsoever nature, including but not limited to unemployment insurance and social security taxes for the Grantee, his servants, agents or independent contractors.
15. The Grantee shall not assign nor contract any part of the project without the prior written consent of the Virgin Islands Energy Office.
16. The Grantee agrees to indemnify, defend and hold harmless Government from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges and expense (including attorney's fees) and causes of action of whatsoever character which Government may incur; sustain or be subjected to, arising out of or in any way connected to the services to be performed by the Grantee under this Agreement and arising from any cause, except the sole negligence of Government.
17. The Grantee covenants that this Agreement constitutes the entire agreement between the parties hereto, and all prior understanding or communications, written or oral, with respect to the project, which is the subject matter of this Agreement, are merged herein.
18. The Government, through the Virgin Islands Energy Office, will monitor the progress & milestones related to this Grant Award. Specifically, the VIEO Director shall conduct program monitoring to ensure that program goals are being met.
19. If the project is not conducted in accordance with the terms hereof, Government will have the right to withhold out of any payment due to the Grantee, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising here from, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Grantee in writing in the event that it elects to exercise its right to withhold. No such withholding or application shall be made by Government if and while the Grantee gives satisfactory assurance to Government that such claims will be paid by the Grantee or its insurance carrier, if applicable in the event that such contest is not successful.
20. Either party will have the right to terminate this Agreement with or without cause on **TEN (10)** days written notice to the other party specifying the date of termination provided,

however, should grantee elect to terminate this Agreement and has in its possession funds that have been unexpended, said funds shall be returned to the Government. If this Agreement is being terminated by either party or a third party due to Grantee's misuse of said funds, Grantee shall reimburse said funds to the Government.

21. The Grantee covenants that it (includes owners, principals, partners, directors or officers) is:
- a. not a Territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature or any other elected Territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or
  - b. a Territorial officer or employee and, as such, has:
    - i. familiarized itself with the provisions of Title 3, Chapter 37, Virgin Islands Code, pertaining to conflicts of interests, including the penalties provision set forth in Section 1108 thereof;
    - ii. not made, negotiated or influenced this award, in its official capacity;
    - iii. no financial interest in the award as that term is defined in Section 1101, (1) of said Code Chapter.
22. Any notice required to be given by the terms of this Agreement shall be deemed to have been given when the same is sent certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

**GOVERNMENT:**

Kyle Fleming  
Director  
**Virgin Islands Energy Office**  
2 Estate Carlton  
Suite 3  
St. Croix, VI 00840

Copy To: Lisa M. Alejandro  
Commissioner  
**Department of Property & Procurement**  
No. 1, Sub Base, Third Floor  
St. Thomas, U.S. Virgin Islands 00802  
Telephone: (340) 774-0828

**GRANTEE:**

Virgin Islands Water & Power Authority  
**8189 Subbase**  
**St. Thomas, Virgin Islands,**  
**USVI 00802**

**Attention:** Karl Knight  
Executive Director  
Telephone/Fax: 340-277-8118  
Email: karl.knight@viwapa.vi

I HEREBY ACCEPT the terms and conditions of the above *Notification of Grant Award* and Agreement on this the 2nd day of July, 2025.

GRANTEE:

**Virgin Islands Water & Power Authority**

Witness:

1 Claudia Charles

By: Karl Knight

2 

Award No. G032VEOT25

Grantee Initials: KK