

September 14, 2022

The Honorable Daniel Webster
Ranking Member
Subcommittee on Economic Development, Public Buildings, and Emergency Management
U.S. House of Representatives
Washington, D.C. 20515

Re: Status Hearing Regarding of FEMA Recovery Efforts in Puerto Rico and U.S. Virgin Islands 5 Years After Hurricanes Irma & Maria

Dear Ranking Member Webster,

On behalf of the Taxpayers Protection Alliance (TPA), an advocacy organization representing millions of taxpayers and consumers, I write to express concern with how the Federal Emergency Management Agency (FEMA) is allocating U.S. tax dollars to the U.S. Virgin Islands (USVI) and the Water and Power Authority (WAPA).

In response to Hurricanes Irma and Maria, FEMA has provided billions of dollars in disaster aid to assist the USVI in its recovery and rebuilding efforts. Specific to FEMA Public Assistance funds, no other entity or government agency has received as much allocated funds as WAPA, which now totals near [\\$1.5 billion](#). Yet, despite the significant support from the federal government, WAPA is a financial and dysfunctional mess.

It has now been reported that USVI and WAPA are moving to 100 percent solar energy. FEMA Administrator Creswell believes the USVI solar transition is an appropriate way to undertake disaster mitigation. Yet, the USVI has extremely limited solar generation capacity today, and any transition to 100 percent solar would still require them to utilize a reliable form of baseload power to ensure residents are not left in the dark when unpredictable weather or other external factors inevitably affect a solar grid's ability to meet minimum consumer demand.

The federal government's misguided strategy in the USVI does not, however, end with solar. In 2020, [FEMA along with the Department of Housing and Urban Development approved](#) a federal grant to WAPA to procure four Liquefied Petroleum Gas (LPG)/diesel generators at a cost of at least \$75 million. Yet, it appears WAPA failed to purchase the correct generators as the LPG/diesel units do not work, and there is no timetable for when they will come online.

Recently, WAPA's CEO Andy Smith remarked that he is also in the process of asking FEMA to pay the \$30 million cost to purchase diesel fuel and liquid petroleum gas, for mitigation purposes.

Despite the billions in federal dollars already allocated to the USVI, their intent to seek more FEMA dollars for fuel, and their irresponsible solar buildout ambitions, the islands' government

and WAPA are refusing to make payment of over \$150 million to a Texas-based energy company, Vitol, further hurting USVI's reputation with private investors.

The USVI and WAPA have continually sought to avoid repayment to Vitol while expecting the company to continue to operate their state-of-the-art LPG facility and generate power for the territory's residents. The LPG facility would also likely need to serve as the form of baseload power despite the transition to solar.

Ranking Member Webster, the situation with the USVI and WAPA is untenable. FEMA's money has allowed them to continue to operate with great dysfunction, stiff creditors, and abuse taxpayer dollars. We appreciate your willingness to provide oversight and accountability with regards to this issue and urge you to pay special attention that taxpayer dollars flowing to the USVI are not being used in a reckless manner.

We look forward to engaging with you on this issue and stand ready to assist. Thank you for your time.

Sincerely,



David Williams
President
Taxpayers Protection Alliance