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BILL NO. 28-0009
TWENTY-EIGHTH LEGISLATURE OF THE VIRGIN ISLANDS
Regular Session
2009
An **Act** amending 12 Virgin Islands Code, adding chapter 23 relating to renewable and
alternative energy providing for incentives, repealing title 28 Virgin Islands Code, chapter 34,
sections 1001-1006 and for other related purposes
WHEREAS, the Legislature finds that the development of renewable and alternative
energy and energy efficiency are important for the future for the Virgin Islands, its energy
security and the protection of the public health and environment of the people of the Virgin
Islands; and
WHEREAS, the Legislature finds that increasing the contribution of renewable and
alternative energy sources for transportation, buildings, electricity and other needs while
simultaneously educating the public on renewable and alternative energy technologies will
reduce the total dependence upon imported fossil fuels; protect the economy of the Virgin
Islands from energy shortages and price spikes that are harmful to businesses and consumers
and disruptive to investment; promote energy diversity; enhance system reliability, minimize
the contribution to pollution, climate change and overall environmental degradation, all of
which purposes and objectives are declared to be in the public interest; and
WHEREAS, to this end it is the policy and determination of the Government of the
Virgin Islands that the adoption of a law promoting the utilization of solar water heating, as one
segment of a larger comprehensive approach to achieving energy efficiency for the Virgin

Islands, provides the most immediate, easily implementable and cost effective opportunity for
reducing demands for imported fossil fuels; creating much needed jobs, improving the local
economy and is an essential strategy in the process of creating a truly secure and sustainable
energy future; and
WHEREAS, it is further the policy and determination of the Government of the Virgin
Islands that the timeliness of this initiative guarantees that the transition to renewable energy
development is done in an organized and structured way as part of an effective long-term
strategy that demonstrates a commitment to environmental leadership and a responsible
stewardship of energy resources; and**WHEREAS,** it is further the policy and determination of the Government of the Virgin
Islands to introduce a crucial combination of measures and incentives to encourage the
development of renewable energy sources generally, stimulate the transition to, and wide
utilization of solar water heating as an alternative to power plant-generated electricity and to
encourage the production and sale of, and set standards for solar energy systems. The
Legislature has determined that the standards for solar thermal collectors are those described in
the Florida Solar Energy Center Standard 102-05 (1) and (2), and the standards for PV modules
are those described in Florida Solar Energy Center Standard 202-05; and
WHEREAS, the standards are intended to ensure that solar energy systems manufactured or sold within the Virgin Islands are effective and represent a high level of quality
of materials, workmanship and design and meet the federal tax code requirements as determined
by the Solar Rating and Certification Corporation ('SRCC'); and
WHEREAS, the Government of the Virgin Islands further declares that it will require

that energy-efficient designs and construction of new residential, commercial and government
buildings comprise, at a minimum, the use of solar equipment for the purposes of water heating;
allow rebate incentives for expenses incurred in the installation of solar or wind equipment to be
used in homes during any taxable year of the purchase; remove import duties on items
connected with solar or wind equipment; and revise building requirements to comply with the
requirements in respect of solar water heating and solar or wind electric systems, on items
identified as energy efficient based on standards development and recommended by the
Department of Planning and Natural Resources and the Virgin Islands Energy Office; and
WHEREAS, it is further the policy of the Government of the Virgin Islands that public
awareness and education programs and the training of specialists are indispensable to the
promotion of local investment and acceleration of private-sector participation in renewable
energy, and to this end the Government of the Virgin Islands shall provide the enabling
environment and support that are essential for achieving the objectives and purposes stated in
this **Act**, including the provision of net metering services to customer-generators using
renewable energy technologies; and
WHEREAS, in order to facilitate the progress of this transition to an increasing reliance
upon renewable energy, the Government of the Virgin Islands shall promote the exploration,
development, construction, installation, operation and utilization of all forms of renewable
energy options by the Virgin Islands Water and Power Authority in their efforts to increase its
territory-wide generating capacity from renewable energy technologies within the prescribed

time-frame; and
WHEREAS, the measures include the granting of tax exempt status on the purchase of
renewable energy equipment and power production and the expediting of applications to the
Virgin Islands Public Services Commission for qualifying facility status certification of small
power production facilities by any person, firm or corporation; and
WHEREAS, the Legislature finds and declares that it is an essential government
function and public purpose of the Virgin Islands to recommend and support legislation that
promotes the efficient use of energy, encourages the increased utilization of the Territory's
indigenous energy resources, promotes the development of renewable energy resources, and
fosters increased cooperation among all levels of government for the preservation or creation of
jobs and employment opportunities, the encouragement of economic growth, the promotion of
the general welfare, the protection of the public health and safety, and the protection of
environmental quality; Now, Therefore,
Be it enacted by the Legislature of the Virgin Islands:
SECTION 1. This **Act** may be cited as "The Virgin Islands Renewable and Alternative
Energy **Act** of 2009".
SECTION 2. Title 12 is amended by adding chapter 23 to read as follows:
"Chapter 23, Subchapter I
§ 1101 Definitions
As used in this chapter, unless the context otherwise requires:
(a) "Alternative Energy" means fuel sources that are other than those derived from
fossil fuels.
(b) "Department" means the Department of Planning and Natural Resources.
(c) "Director" means the director of the Energy Office established under this chapter.
(d) "Fleet" means the number and type of transportation passenger vehicles that the

Government of the Virgin Islands operates.
(e) "New Development" means all new residential, commercial, and government
development projects constructed after the effective date of this chapter.
(f) "Renewable energy" means electric energy generated from solar, wind, biomass,
landfill gas, hydroelectric, ocean, including tidal, wave current, and Ocean Thermal Energy
Conversion (OTEC), or geothermal.
(g) "Renewable energy source" means biomass, hydro, geothermal, solar, wind,
ocean thermal, wave thermal, wave action tidal action and livestock or landfill methane.
(h) "Solar energy" means radiant energy, direct, diffuse or reflected, received from
the sun at wavelengths suitable for conversion into thermal, chemical, or electrical energy.
(i) "Solar energy system" means a system that when installed in connection with a
residential, commercial or government building transmits or uses solar energy, derived from any
form of renewable energy for the purpose of providing hot water for use within such building or
generating electricity. (j) "Solar energy equipment" means all equipment that provides for the collection
and conversion of solar energy into usable energy for heating, cooling, generating electricity, or
other applications that normally would require a conventional source of energy, such as
petroleum products, natural gas, or electricity and which perform primarily with solar energy.
The term with respect to other systems in which solar energy is used in a supplemental way,
applies only to those components that collect convert and transfer solar energy.
(k) "Solar photovoltaic system" means a device that converts incident sunlight into
electrical current.

(1) "Solar thermal system" means a device that traps heat from incident sunlight in
order to heat water.
(m) "Substantial modification development" means reconstruction or renovations
that improve hot water systems.
(n) "Virgin Islands Energy Office" means the Virgin Islands Energy Office established under the Office of the Governor.
§1102 (a) The intent of this chapter is to encourage the development of renewable and
alternative energy generation sources on two levels: large, utility scale infrastructure
development; and small, homeowner scale and commercial renewable energy use.
(b) In carrying out this section, the Energy Office shall identify and evaluate the
strategies or projects, with the greatest potential for reducing the dependence on imported fuel
used for the generation of electricity, on both, small homeowner scale and commercial
renewable and alternative energy use, including strategies and projects for:
(1) the application of established standards for energy efficiency for appliances,
lighting fixtures, including ceiling fans, air conditioning systems and pumps;
(2) the conduct of energy audits for business and industrial customers;
(3) the increased use of renewable energy sources including-
(A) solar energy for electric generation;
(B) solar energy for water heating in large buildings, such as hotels, hospitals, government buildings and residences;
(C) photovoltaic energy;
(D) wind energy;
(E) hydroelectric energy; and
(F) microturbine systems; and (G) other strategies and projects including alternative energy sources that the
Energy Office may identify as having significant potential.
(c) In assessing the potential of any strategy or project under subsection (b), the
Energy Office shall consider -
(1) the estimated cost of the power or energy to be produced;

(2) the long-term availability of the generation source;
(3) the capacity of the local electrical utility to manage, operate, and maintain any project that may be undertaken; and
(4) such other factors as the Energy Office considers to be appropriate.
§ 1103 To achieve the purposes of this chapter, the Director may:
(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. Grants may be made, without limitation, for projects and
programs such as experimental demonstrations or development of solar heating and cooling and
potentially energy-efficient construction in public buildings, schools, offices, commercial
establishments, and residential homes; development of programs or experimental
demonstrations of the utilization of waste products in energy production and mineral and energy
conservation; and development of programs or experimental demonstrations of technologies
which would permit utility pricing policies that may reduce the consumer costs of energy.

§1104. Interagency Advisory Committee

(a) The Virgin Islands Energy Office shall establish an interagency advisory committee consisting of representatives from:

(1) government agencies and instrumentalities, including the University of the Virgin Islands;

(2) The Virgin Islands Water and Power Authority ;

(3) The private sector; and

(4) environmental, energy, and consumer groups and other energy-related organizations.

(b) The Committee shall provide input on energy programs and related matters. The
Committee shall:

(1) assist and advise the Director on matters relating to the development and use of solar energy and other renewable energy resources, including recommendations
for the utilization or disbursements of federal and territorial funds for solar purposes;

(2) encourage efforts by research institutions, government institutions and home builders in obtaining technical and financial support from the federal government
for their activities in solar and advanced alternate energy systems;

(3) identify and describe the renewable energy technologies that are feasible

and practical in terms of short-term application of retrofit, new construction and
conservation projects within five years;
(4) identify and describe long-range programs that are feasible and cost effective;
(5) encourage the cooperation and direct involvement of academic, business, professional and industrial sectors that are determined to have special expertise or
knowledge of solar energy technology;
(6) make recommendations to the Director on standards, codes, certifications and other programs necessary for the orderly and rapid commercialization and growth of
renewable energy use in the Virgin Islands for consideration by the appropriate
jurisdictional bodies;
(7) assist the Director with organizing workshops and conferences, and recommend policies, standards, strategies, plans, programs, and procedures with regard
to functions of the office of energy; and
(8) provide such other assistance as the Director may request or the law may provide. (c) The heads of all agencies, including those that are not represented on the
Committee, shall cooperate with and furnish information to the Committee as required or
requested.
Subchapter II. Solar and Wind Energy System Incentives
§1121. The Solar and Wind Energy System Incentive Program is established to provide
financial incentives for the purchase and installation of solar and wind energy systems.
¡5 I 122 Installation of solar equipment in new developments
(a) In the construction of new developments or substantially modified developments
after the effective date of this subchapter, the developer shall use energy-efficient solar systems
for providing not less than 70% of water heating, unless the Commissioner of the Department
determines that the use of such a system is not cost-effective or interferes or conflicts with the

use of the building.
(b) The Director shall use the American Recovery and Reinvestment **Act** funding
that is designated for rebates for the Virgin Islands, first for solar water heating system rebates
for residences and government buildings.
(c) In issuing its building, construction, or development-related permits, the Department shall ensure that permittees comply with the requirements of subsection (a).
§1123. Rebate Incentives for expenses incurred in the purchase and installation of Solar or
Wind equipment
(a) When the requirements in section 1125 are met, each individual or business that
installs a new solar water heating system, wind energy system, photovoltaic energy system, or
other renewable energy system may claim a rebate from the Virgin Islands Energy Office under
this section. The rebate may be claimed for every eligible solar, wind or other renewable
energy system that is installed and placed in service by a Virgin Islands resident or licensed
business:
(1) Solar Water Heating Systems for:
(A) Single-family residential property:-70'pereent of thc-actual coat;
(B) Multi family residential property:-70 percent of the actttal cost;—
(C) Commercial property:-55 percent of *h»actual cost or $10,000 whichever
(2) Wind-Powered Energy Systems for:
(A) Single-family residential property: 50 percent -of the actual cost or-$7,000;
(B) Multi-family residential property» 50 percent of the-aetual cost of $7,0Q0r

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(C) Commercial property* 50 percent «f ft»actual cost or $-59,000, whenever ■ig less;
(3) Photovoltic Energy Systems for:
(A) Single-family residential property: 50' percent of the actual coat or $7,000;
(B) Multi-family residential property: 50 poreont of the actual coat or $7,000;-
(C) Commercial property^-jO percent ef-theactual cost or $50,000 whichever

« less;—
§1124. Customs duty excise tax exemption
(a) Notwithstanding any other provision of law to the contrary, in order to carry out
the purposes of this chapter, equipment or component parts brought into the Virgin Islands for
the purpose of manufacturing of solar water heaters or wind or solar energy systems are exempt
from the payment of customs duties and excise tax, including such equipment as: Solar
Photovoltaic systems, including inverters, charge controllers, batteries and solar lights; Wind
Turbine Systems, including wind pumps; Solar Thermal Systems, including solar water heaters;
solar dryers, solar cookers; solar air-conditioners; solar stills; and geo thermal heat pump
systems; and appliances and lighting that use direct current (DC) electricity.
(b) Retailers and installers of solar or wind equipment or component parts who
receive exemptions under subsection (a) shall pass on the savings to consumers.
(c) The Director of the Bureau of Internal Revenue shall promulgate such rules and
regulations as may be necessary to carry out the purposes of this section.
§1125. Eligibility requirements
Individuals and business who install a new solar or wind energy systems or solar
equipment are eligible for a rebate provided under this subchapter, if:
(a) the system is installed by a licensed solar or wind or plumbing contractor or the
owner of the real property at which the solar or wind system or equipment is installed;
(b) the system complies with all applicable building codes, including the National
Electric Code (NEC);.
(c) in the case of an individual, the property at which the solar or wind system or
solar equipment is installed is the principal residence of the individual.
§1126. Reserved

§1127. Renewable sources inventory

Not later than six months after the effective date of this chapter, the Director shall submit to the Legislature a report containing -

(1) an inventory of renewable and alternative energy sources available in the Virgin Islands for consumers; and

(2) a projection of future inventories of renewable and alternative sources of energy.

§1128. Training of employees

A solar energy training program must be established within two years after the effective date of this subchapter, within the Virgin Islands Career and Technical Education Program under the Department of Education, including a training program for the construction of solar hot water systems, including solar panels, solar hot water storage tanks, solar circulators, and installation.

Subchapter III. Energy and Environmental Efficiency Leadership

§1129. Solar and Renewable Energy in public buildings and energy efficient vehicles

(a) To accelerate the growth of a commercially viable solar energy industry to make this system available to the public as an option that can reduce the fossil fuel consumption and costs to the Government, each government agency and instrumentality, including all branches of government, shall install solar water heating systems where it is cost-effective, based on the comparative analysis conducted under section 1102 (b). If the life cycle analysis is positive, the agency shall incorporate solar water heating.

(b) Government agencies and instrumentalities entering into leases, including the renegotiation or extension of existing leases, shall:

(1) incorporate lease provisions that require energy efficiency wherever technically and economically feasible;

(2) build to suit lease solicitations that contain criteria requiring sustainable

design and development, energy efficiency, and verification of facility performance;
(3) include a preference for facilities having an "ENERGY STAR" building label in their selection criteria for acquiring leased facilities; and
(4) encourage lessors to apply for an "ENERGY STAR" building label and to explore and implement projects that will reduce the costs to the Government,
including projects carried out through the lessor's energy-savings contracts. lo
(e) The Department of Property and Procurement shall demonstrate a continuing
commitment to the use of solar and other renewable and alternative energy sources in buildings
owned or operated by the Government of the Virgin Islands.
(d) (1) Within 2 years from the effective date of this chapter, the Virgin islands Energy Office in conjunction with the Department of Property and Procurement shall establish
an Energy-Efficient Fleet Management Plan with plans for the acquisition of energy-efficient
government fleet of vehicles, consisting of hybrid vehicles, alternative fuelled vehicles, or
vehicles within the top one-fifth of the most energy efficient vehicles in their class. The plan
must require that within 10 years from the enactment of this chapter, the plan must be
implemented throughout all departments and agencies of the Government of the Virgin Islands.
(2) All Vehicles purchased after the enactment of this chapter must meet minimum
fuel efficient and environmental impact national standards, as regulated by the class of vehicle.
(3) Specifically, the emergency vehicles exempted from the Fleet Management Plan
include bucket trucks, utility repair trucks and digger trucks utilized by the Virgin Islands Water
and Power Authority and vehicles utilized by the Virgin Islands Fire Service, the Department of
Public Works, the Virgin Islands Police Department and the Emergency Medical Technicians.

(4) The exemptions granted to specialty and emergency vehicles by paragraph (3) of
this subsection apply only to vehicles designed to perform specific tasks where hybrid or
alternative fuelled vehicles are not available, feasible or cost effective.

§1130. Energy efficiency standards

(a) Each agency and instrumentality of the Government to the extent practicable
shail design and construct buildings to incorporate energy-efficiency measures to optimize solar
heating for water heating. This section applies to new residential facilities built using any
portion of government funds or located on government lands.
(b) Each agency and instrumentality of the Government shall purchase energy efficient equipment, such as "ENERGY STAR" products where available.
(c) With regard to motor vehicles and transportation fuel, each agency shall:
(1) purchase the most fuel-efficient vehicles that meet the needs of its activities;
(2) promote efficient operation of vehicles;
(3) use the most appropriate minimum octane fuel; and
(4) collect and maintain information on the performance of each vehicle regarding fuel-use in order to evaluate its efficiency.
(d) Subject to the exceptions in subsection (d)(4), the Director shall establish regulations, prescribing criteria for prescribing performance and quality standards. (e) The Director may not prescribe performance and quality standards, unless the
Director determines that there will be a reduction in fuel consumption as a result of such
standards.
(0 The Department shall assist any individual or business that intends to construct
energy savings and renewable or alternative energy systems by expediting the permitting
process; the Commissioner may waive any permit fees for the installation of solar energy, wind
turbine, or any renewable or alternative-energy system.

Subchapter IV - Net Energy Metering

§1141. Short title

This subchapter may be referred to as the "'Net Energy Metering **Act**."

§1142. Legislative intent

It is declared to be the purpose and policy of the Legislature of the Virgin Islands in
enacting this subchapter to:
(a) encourage private investment in renewable and alternative energy resources;
(b) stimulate the economic growth of Virgin Islands;
(c) enhance the continued diversification of the energy resources used in this Territory; and
(d) conform territorial Policy for Net Metering with the Federal Energy Policy **Act**
of2005.

§1143. Definitions

As used in this subchapter:
(a) "Customer-generator" means a user of a net metering system.
(b) "Net metering" means the difference between the electricity supplied by a utility
and the electricity generated by a customer-generator which is fed back to the utility over the
applicable billing period, which is accomplished by:
(1) using a single meter capable of registering the flow of electricity in two directions
(2) using an additional meter to monitor the flow in each direction, which may be installed only with the consent of the customer-generator, and at the expense of
the utility; the net energy metering calculation of the dual meters shall yield a result
identical to that of a single meter. 12
(e) "Net metering system" means a facility for the production of electricity that:
(1) uses renewable energy technology as defined in this chapter;
(2) has a generating capacity of not more than 20 kilowatts residential, 100 kilowatts Commercial and 500 kilowatts public facility;
(3) is located on the customer-generator's premises or on other property owned or leased by the customer-generator;
(4) operates in parallel with the utility's transmission and distribution facilities; and
(5) is intended primarily to offset part or all of the customer-generator's requirements for electricity.

(d) "Public Facility" means a building or area in which government operations or
activities occupy to include but not limited to schools, hospitals, and recreation areas.
(e) "Utility" means the Virgin Islands Water and Power Authority or other public
utility that supplies electricity in the Virgin Islands.

§1144. Net **metering; availability**

(a) A utility shall offer net metering as set forth in this subchapter. The aggregate
capacity of the net metering offered must not exceed 5 mega watts on the island of St. Croix and
must not exceed 10 mega watts collectively on the islands of St. Thomas and St. John and
Water Island and other territorial offshore keys and islands. Net metering must be offered on a
first-come, first-serve basis until customer-generators within each island have reached the
aggregate capacity for that island.
(b) A utility:
(1) shall offer to make available to each of its customer-generators who accepted its offer for net metering an energy meter that is capable of registering the flow
in at least two directions;
(2) may, at its own expense, and with the written consent of the customer generator, install an additional meter to monitor the flow of electricity in each direction,
pursuant to section 1146; and
(3) may not charge a customer-generator any fee or charge that would increase the customer-generator's minimum monthly charge to an amount greater than
that of other customers of the utility in the same rate class as the customer-generator.

§1145 Net metering safety standards

(a) A net metering system used by a customer-generator must meet all applicable
safety and power quality standards established by:
(1) The National Electric Code:
(2) Underwriter's Laboratories, UL 1741;

(3) The Institute of Electrical and Electronic Engineers, ÏEEE-929 and IEEE-1547;and
(4) International Building Code.
(b) A utility may not require a customer-generator whose net metering system meets
the safety and quality standards to:
(1) comply with additional standards or requirements;
(2) perform additional tests or install additional controls, unless there is a hazardous condition existing on the Utility's System due to the operation of the
customer-generator's net metering system, or there is an adverse electrical impact on the
electrical equipment of other Utility electric customers;
(3) purchase additional liability insurance, arising solely from the customer-generator's status as a customer-generator.
§1146. **Billing**
(a) The billing period for net metering may be either a monthly period, a quarterly,
semi-annual or annual period as determined by the billing cycle of the Utility.
(b) Except as otherwise provided in paragraph (3) of this subsection, the net energy
measurement must be calculated in the following manner:
(1) The utility shall measure the net electricity produced or consumed during the billing period, in accordance with the established electric rate for that particular class
of service.
(2) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the
customer-generator must be billed for the net electricity supplied by the utility.
(3) If the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period, then
the energy delivered by the customer-generator to the utility must be credited to the
customer-generator's account at the retail cost of the utility producing the amount of

energy. Any excess kwh generation by the customer is carried over as a credit from
month to month. At the end of each calendar year, or after termination of service, any
excess kwh credits are granted to the Authority by the customer without compensation
to the customer. **§1147. Utilization of renewable technologies by electric utility**
(a) The utility shall develop a plan to minimize dependence on one fuel source and
to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels
and technologies where feasible and cost effective, including renewable technologies.
(b) Each electric utility shall develop and implement a ten-year implementation plan
to increase the efficiency of its energy generation. The plan must include provisions for an
increasing reliance upon renewable energies where they are available.
Subtitle V - Research and Development
§1151. General goals of program
(a) In order to achieve the purposes of this chapter, the Director shall conduct programs for energy research, development, demonstration and commercial application with the
general goals of—
(1) increasing the efficiency of all energy intensive sectors through conservation and improved technologies;
(2) promoting diversity of energy supplies;
(3) decreasing the dependency of the Virgin Islands on imported fossil fuel energy supplies; and
(4) improving energy security of the Virgin Islands.
(b) In carrying out this chapter, the Director shall implement programs and publish
reports that provide for:
(1) Energy efficiency for buildings, energy-consuming industries, and vehicles;
(2) Electric energy generation, transmission and storage; and
(3) Renewable energy technologies, including wind power, photovoltaics,

solar thermal systems, geothermal energy, biomassed systems, hydrogen-fuelled
systems, biofuels and hydropower.
(c) In the preparation of the reports identified in subsection (b) the Director shall
solicit input from industry, institutions of higher education, and other public sources.

§1152. Reliance upon renewable energy technologies

(a) The peak demanded generating capacity of the Virgin Islands Water and Power
Authority must be derived from renewable energy technologies as defined in title 30 V.I.C.,
section 46, subsection (m), and as follows: 20% by January 1, 2015; 25% by January 1, 2020;
and 30% by January 1, 2025; and the percentage thereafter must increase until a majority of the
generating capacity of the Virgin Islands Water and Power Authority is derived from renewable
or alternative energy technologies15
(b) Not later than January 1, 2010, the Virgin Islands Energy Office in conjunction
with the Virgin Islands Water and Power Authority shall promulgate rules and regulations
pursuant to title 3 Virgin Islands Code, chapter 35, as necessary to administer and enforce this
Section. At a minimum, the rules and regulations must:
(1) establish the minimum annual renewable and alternative energy requirement for
the Virgin Islands Water and Power Authority in a manner reasonably calculated by the Virgin
Islands Energy Office in conjunction with the Virgin Islands Water and Power Authority to
produce, on a territory-wide basis, compliance with the requirement prescribed by subsection
(a); and
(2) specify reasonable performance standards that all renewable and alternative
capacity additions shall meet to count against the requirement prescribed by subsection (a) and

that:
(A) are designed and operated so as to maximize the energy output from the capacity additions in accordance with then-current industry standards; and
(B) encourage the development, construction, and operation of new renewable and alternative energy projects at those sites in the territory that have the
greatest economic potential for capture and development of the Virgin Islands'
environmentally beneficial renewable resources.

§1153. Updating of Comprehensive Energy Plan of the Virgin Islands

(a) The Governor of the Virgin Islands shall facilitate the establishment of the "Comprehensive Energy Plan of the Virgin Islands" as required by 48 USC 1492, in
conjunction with the Secretary of Interior and the United States Secretary of Energy.
(b) The Virgin Islands Water and Power Authority shall coordinate with the Governor the reduction of dependence on energy imports to the maximum extent feasible and
the protection of power transmission and distribution lines from damage from hurricanes and
shall apply for available federal grant monies to bury power transmission and distribution lines.
The Virgin Islands Water and Power Authority shall apply for the funds for feasibility studies
and project implementation authorized by 48 USC 1492 and report to the Governor and the
Legislature as to any local matching funds that may be required for the federal grants.

Subchapter VI Solar and Wind Energy Systems

§1154. Declaration of Findings and Policy

The Legislature declares that it is in the public interest to develop and expand solar and
wind energy systems to meet the present and future energy needs of the Virgin Islands. The
owner of a solar or wind energy system would be permitted to negotiate for assurance of the
continued access to the owner's energy source.

§1155. Definitions

(a) "Solar or Wind Energy Systems" means any system that converts, stores, collects
protects, or distributes the energy of the sun or wind into mechanical, chemical or electricalenergy to provide power generation for the heating of water, the heating of cooling of buildings
or other structures, and other similar purpose.
(b) ''Small Wind Energy System" means a wind energy conversion system consisting of a wind turbine tower, and associated control or conversation electronics, which
has rated capacity to be determined by regulation.
(c) "'Utility Scale Energy System" means a wind energy conversation system consisting of a wind turbine tower and associated control or conversation electronics which has
rated capacity above small wind energy system, to be determined by regulation.

§1156. Prohibited Conveyances for Solar and Wind Systems

(a) Any covenant, condition, or restriction contained in any deed, contract, mortgage, security instrument, or other instrument pertaining to a conveyance, sale or transfer
of real property or interest therein which prohibits or unreasonably limits the installation or use
of a solar or wind energy shall be void and unenforceable.
(b) A covenant, condition, or restriction is considered "unreasonable" for the purpose of this chapter if the covenant, condition or restriction increases the cost and expense of
the solar or wind energy system to its owner or user, or it decreases its efficiency, or otherwise
effectively discourages the installation or use of a solar or wind energy system.

§1157. Energy System Height Limitation

Notwithstanding the provisions of title 29 Virgin Islands Code, chapter 3, a tower used
in a solar or wind energy system is limited in height only by regulations for small wind energy
system and by FAA regulations for utility scale energy systems."

SECTION 3. (a) Any person, firm, or corporation that installs in the Virgin Islands or
that constructs in the Virgin Islands a renewable or alternative energy electric power or

production plant or device upon certification of the Virgin Islands Public Services Commission,
is exempt from the payment of excise taxes on the purchase of the plant, device or on materials
for the construction or installation of the plant or device and from gross receipts taxes imposed
the Government of the Virgin Islands on such person, firm or corporation for revenues derived
from such plant or device.
(b) Notwithstanding any other law to contrary, no customs duty may be collected on
the goods, merchandise or commodities enumerated in subsection (a) of this section.
SECTION 4. Title 33 Virgin Islands Code, section 2404 is amended by designating
subsection (c) as subsection (d) and adding a new subsection (c) to read:
"(c) In computing the actual value of real property subject to taxation, the assessor
shall exclude any additional value that the construction or installation of a renewable or
alternative energy electric power production plant or device adds to the property's taxed value".
SECTION 5. The Virgin Islands Water and Power Authority shall provide the Virgin
Islands Public Services Commission on or before October 31, 2009, or such earlier date
required by the Commission and not less than annually thereafter, available data sufficient to
enable r.p-generators and smaJLpowerproducers to estimate the Virgin Islands Water and PowerAuthority's avoided energy and capacity costs. The data must be made available to all qualified
facilities certified by the Commission and to the public.
SECTION 6. Within one year after the date of the enactment of this **Act**, the Energy
Office shall make an assessment of the renewable and alternative energy sources in the Virgin
Islands and review such assessments each year thereafter taking into account changes in
technology, current and emerging market trends and other relevant factors.

SECTION 7. (a) Not later than eighteen months after the date of enactment of this **Act**,
the Energy Office shall submit the report based on the assessment under SECTION 6 of this **Act**
to the Legislature. The Energy Office shall update the report at least every five years and make
it publicly available.
(b) The report must:
(1) Contain recommendations to foster, facilitate and encourage the development of renewable and alternative energy sources where economically and
technically feasible, but especially in the areas of solar, biomass, wind and Ocean
Thermal Energy Conversion (OTEC);
(2) Indicate costs of implementation and the details of any recommended programs, and current and projected energy savings, including an analysis of restrictions
or impediments to their implementation;
(3) State the results of a comparative analysis to determine the cost-benefit of using a conventional water heating system or a solar water heating system. The analysis
must be based on the projected life cycle costs to purchase and operate the water heating
system.
(4) Detail the leadership by example of the Virgin Islands in energy conservation and efficiency;
(5) Propose a policy framework for the use of energy efficient and environmentally sustainable renewable and alternative energy sources in the Virgin
Islands as an option which can reduce the consumption of fossil fuel within the Virgin
Islands;
(6) and contain such other information as may be useful in developing renewable energy sources in the Virgin Islands.
SECTION 8. The Virgin Islands Public Services Commission shall study and make
recommendations within one year after enactment of this **Act**, to the Governor and the

Legislature for additional legislation that would enhance the use of renewable and alternative
energy in the Territory, reduce the Territory's dependency upon fossil fuels and protect the
power transmission and distribution lines from hurricane d
SECTION 9. There Ì3 appropriated to the Virgin Islands Energy Office in the fiscal
year ending September 30, 2009, and thereafter in eaeh fiscal year, on a quarterly basia, a sum
jepresentingr three- petcent-of the proceeds from-the collection or real property taxes and so much/from available funds granted to the Territory under The AroericaR--Reeo¥ery—
and Reinvestment **Act** to finance programs
SECTION 10. The sum **of W¿>00,000** is^
September 30-, -2009-, from- any- available funds granted to-the -Virgin—I AanerteanTlecovery-aTìd-Reinveatment-Aet to the Virgin IslaneW
■establish a funding mechanism exclusively for the purchase of soJar-water heating .systems for
-individuals or-businesses; -the-eost of which to be amortized over a-period of time through the
SECTION 11. Title 12, chapter 23, subchapter II, as added by Section 2 of this **Act**
takes effect 120 days after enactment.
SECTION 12. Title 28 Virgin Islands Code, chapter 34, sections 1001, 1002, 1003,
1004, 1005 andl006 are repealed.
SECTION 13. (a) Title 29, chapter 3, section 225, subsection (b), paragraph (3) ic
amended by adding a second sentence to read: 'Solar energy systems and windener-gy-systems,
as defined iniitle 12, chapter 23, section 1155, are, and shall be, permitted accessory uses in all
(b) Title 29, chapter 3, section 228, is amended by inserting appropriately numbered
permitted uses in each category, as follows:
B-l BUSINESS-CENTRAL BUSINESS DISTRICT is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic, solar

thermal, wind turbine or other wind converters)
Assembly
Retail
B-2 BUSINESS—SECONDARY/NEIGHBORHOOD is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic, solar
thermal, wind turbine or other wind converters)
Assembly
Retail
Wholesale
B-3 BUSINESS—SCATTERED is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic, solar
thermal, wind turbine or other wind converters)
Assembly19
Retail
■Who lo cal e
B-4 BUSINESS—RESIDENTIAL AREAS is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic,
thermal, wind turbine or other wind.converters)
solar
Assembly
Retail
Wholesale
Ç-COMMERCIAL is amended by adding the following;
Alternative and Renewable Energy Systems and Components (solar photovoltaic,
thermal, wind turbine or other wind converters)
solar
Assembly
Retail
Wholesale
¡A HEAVY INDUSTRY is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic,
thermal, wind turbine or other wind converters)
solar

Assembly
Manufacturing
Wholesale
hZ LIGHT INDUSTRY is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic
thermal, wind turbine or other wind converters)
solar
Assembly
Manufacturing
Wholesale
W-l WATERFRONT—PLEASURE is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic
thermal, wind turbine or other wind converters)
solar**20**
Assembly
Retail
W-2 WATERFRONT—INDUSTRIAL is amended by adding the following:
Alternative and Renewable Energy Systems and Components (solar photovoltaic, solar
thermal, wind turbine or other wind converters)
Assembly
Manufacturing
Retail
Wholesale
Thus passed by the Legislature of the Virgin Islands on May 29,2009.
Witness our Hands and Seal of the Legislature of the Virgin Islands this *£2* Day of June, A.D., 2009.
Sammuel Sanes
Legislative SecretaryThe United States Virgin Islands
OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
Charlotte Amalie, V.l. 00802
340-774-0001
THE GOVERNOR'S OBJECTIONS
Bill No. 28-0009 is hereby approved with the exception of the following items, part or parts, portion or portions thereof, which are hereby objected to (and deleted and

disapproved in full) pursuant to Section 9(d) of the Revised Organic Act of the Virgin Islands of 1954, as amended :
SECTION 2.
§1123
(a)
(1)
(A)
70 percent of the actual cost;
(B)
: 70 percent of the actual cost;
(C)
• 25 percent of the actual cost or $10,000 whichever is less.
(2)
(A)
50 percent of the actual cost or $7,000;
(B)
. 50 percent of the actual cost or $7,000;
(C)
50 percent of the actual cost or $50,000, whichever is less;
(3)
(A)
50 percent of the actual cost or $7,000;
(B)
: 50 percent of the actual cost or $7,000;
(C)
: 50 percent of the actual cost or $50,000 whichever is less;
SECTION 9. There is appropriated to the Virgin Islands Energy Office in the fiscal year ending September 30, 2009, and thereafter in each fiscal year, on a quarterlybasis, a sum representing three percent of the proceeds from the collection or real property
taxes and so much as may be necessary from available funds granted to the Territory
under The American Recovery and Reinvestment **Act** to finance programs.
SECTION 10. The sum of $10,000,000 is appropriated in the fiscal year ending September 30, 2009, from any available funds granted to the Virgin Islands under The
American Recovery and Reinvestment **Act** to the Virgin Islands Water and Power

Authority to establish a funding mechanism exclusively for the purchase of solar water
heating systems for individuals or businesses, the cost of which to be amortized over a
period of time through the payment of utility bills.

SECTION 13.

(a) "Title 29, chapter 3, section 225, subsection (b), paragraph (3) is amended by adding a second sentence to read: 'Solar energy systems and wind energy systems, as
defined in title 12, chapter 23, section 1155, are, and shall be, permitted accessory uses in
all zones.' "

(b)

B-l BUSINESS-CENTRAL BUSINESS DISTRICT
"wind turbine or other wind converters"
B-3 BUSINESS—SCATTERED
"Wholesale"
B-4 BUSINESS—RESIDENTIAL AREAS
"wind turbine or other wind converters"
"Wholesale"

Witness my hand and the Seal of the Government of the United States Virgin Islands*p* at Charlotte Amelie, St. Thomas, Virgin Islands, this *3* ^ day of July, A.D., 2009.