GOVERNMENT OF THE VIRGIN ISLANDS

PRESS RELEASE

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Government Announces Electricity Bill Credit for August and Subsidy for September

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The Government of the Virgin Islands has announced immediate measures to ease the financial pressure caused by the significant increase in electricity bills following the record cost of fuel used to generate electricity in July 2026.

Minister for Communication and Works Honourable Kye M. Rymer acknowledged the shock, frustration and anxiety experienced by households and businesses across the Territory stating that the concerns raised by the people of the Territory are valid and the Government is listening to these concerns.

Following urgent discussions with the BVI Electricity Corporation (BVIEC), Central Government will provide:

- **A credit to customers' August electricity bills**, to be reflected on their next statement; and
- **A subsidy on September electricity bills**, to be applied as the bills are issued.

August electricity bills have already been posted and distributed and cannot be withdrawn. The BVIEC will therefore apply a credit directly to customers' accounts, reducing the amount they are required to pay. Details regarding the calculation of the credit and the administration of the September subsidy will be communicated before billing.

The Cause of Higher Bills

General Manager of the BVIEC Dr. Neil Smith clarified that the increase in customers' bills is not the result of a tariff increase or a change in BVIEC's base electricity rates.

He said the higher bills reflect the exceptionally high cost of diesel fuel used to generate electricity during July. He added that the Virgin Islands relies heavily on imported diesel, making the Territory vulnerable to disruptions and price increases in international fuel markets.

Dr. Smith gave a presentation on how the BVIEC calculates its customers' monthly bills, the actual cost to generate the electricity supplied, and the measures taken to cushion customers from bearing the full cost of fuel each month. He explained

that the Government's three (3) month fuel subsidy initiative ended in June, while the cost of fuel rose significantly after.

Previous Government Support

The latest measures follow a three-month emergency fuel subsidy introduced earlier this year for March, April and May. The programme represented a **$3 million Government intervention**, providing $1 million per month to offset a portion of the fuel surcharge paid by customers. This assistance was provided in addition to the contribution absorbed by corporation.

Accelerating the Transition to Renewable Energy

While the Government is focused on providing immediate relief, it has also reiterated that repeated subsidies for imported diesel are not a sustainable long-term solution.

The Government is therefore accelerating efforts under the **Solar Technology Energy Programme (STEP)** to reduce the Territory's dependence on imported fuel and protect consumers from future international price shocks.

Demand for solar installations under STEP has increased significantly. In response, BVIEC has been asked to expand its efforts to recruit installers both locally and internationally, while also supporting training and capacity-building opportunities for local businesses and tradespeople.

BVIEC recently published an Expression of Interest seeking participation from qualified installers. Local businesses interested in entering or expanding within the renewable-energy sector are encouraged to participate.

Under the STEP model, a high-quality grid-connected solar installation for an average residential household is estimated to cost approximately ten thousand dollars ($10,000). The Government will contribute half of that cost, approximately Five thousand dollars ($5,000) upfront. The customer's share will be structured as a loan repaid through the savings generated by the reduction in the household's electricity bill. Once the loan is repaid, the resulting savings will remain with the

customer, providing the potential for significantly lower electricity costs over the long term.

“Our approach is two-pronged: immediate relief through credits and subsidies, and an accelerated investment in solar and renewable energy,” the minister said. “These are challenging times, but we are committed to doing what we can to make life a bit easier and to give residents and businesses a pathway to long-term savings.”

The entire press conference can be viewed on the Government’s YouTube page at Government of the Virgin Islands, and the minister’s full statement can be viewed on the Government’s website at GOV.VG. Further details on the August credit, September subsidy and the accelerated STEP installation programme will be provided by the Government and BVIEC.

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About:

The Ministry of Communications and Works is the arm of Government responsible for the infrastructural development of the Territory. This responsibility is achieved through departments, statutory bodies and committees.

The BVIEC remains committed to being a Centre of Excellence in the production and distribution of reliable, affordable, and clean energy; as well as delivering an exceptional customer experience by fostering partnerships and safely developing the BVI as they invest in our people and provide sustainable, innovative energy solutions at an affordable cost.

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