



Government of the Virgin Islands  
Office of the Governor  
Virgin Islands Energy Office



# Community Electrical Innovations Application Program

## Notice of Funding Opportunity

Virgin Islands Energy Office is administering this grant opportunity as a sub-recipient of the Virgin Island Housing Finance Authority's (VIHFA) award of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) Electrical Grid funds B-18-DE-78-0001

**Application Window Open from June 16, 2025 to July 30, 2025**

**Government of the United States Virgin Islands**  
**VIRGIN ISLANDS ENERGY OFFICE**

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## 1. Introduction

The Virgin Islands Energy Office (VIEO) is pleased to announce the availability of funding for the Community Electrical Innovation (CEI) Program. CEI aims to reduce the impact that frequent power outages have on the delivery of services to low to moderate income (LMI) and vulnerable populations in the USVI, and build the foundation for improvements to the reliability of electrical transmission in the territory by enabling community based organizations and nonprofits in underserved areas to build solar and battery microgrids.

Building resilient new electrical distribution systems and hardening those elements of the grid that cannot be prudently replaced has been a hallmark of the territory's restoration efforts following the devastation wrought on the U.S. Virgin Islands in 2017 when two Category 5 hurricanes swept through the islands. VIEO, as a subgrantee of the Virgin Island Housing Finance Authority's (VIHFA) award of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) funds, is proud to be able to build on these efforts as it works to administer the CEI program. CEI is a funding opportunity that will provide grants to build small to large scale solar and battery energy storage microgrid systems. The solar and battery systems will operate as Distributed Energy Resources (DERs) that provide power at the host site for backup power generation to maintain continuity of operations, and also have the ability to provide power to the overall grid in conjunction with public utility providers to alleviate power disruptions. The backup power availability, coupled with the grid interaction, creates an Energy Resilience Hub Network.

## 2. Scope of Work

This program is intended to meet the *LMI area* CDBG-DR benefit national objective alternative requirement for *reliability* by targeting applicants with experience working with low- to moderate-income populations or vulnerable populations or other groups whose participation promotes equity and engagement. In order to prevent the loss of the delivery of critical services to vulnerable populations during the duration of the USVI's frequent power disruptions VIEO is issuing this NOFO to solicit applications from community-based organizations, nonprofit entities, and other eligible organizations, to host and maintain solar and battery microgrids at their place of business. Development of the design of the microgrid systems, as well as any necessary islanding and interconnection studies, will be carried out by a third party engineering firm or consortium of firms who respond to a competitive selection process initiated by VIEO. The procurement of the microgrid system components, as well as the installation will be

carried out by certified solar servicers maintained in a VIEO vendor list. Any necessary periodic maintenance required over the course of the microgrid's long term maintenance plan will be the responsibility of the system host.

## 2.1 Project Objectives

The program seeks to enroll entities and organizations that either own their own facilities or have obtained long term leases that will allow them to steward the DERs assets over their useful life. Community focused organizations, both non-profit and for-profit, are encouraged to apply for CEI if they can demonstrate that they directly serve LMI constituents as part of their business model, and are willing to be responsible for the maintenance and upkeep of a microgrid system for an estimated 10 year life cycle. Private business seeking to participate in the program must not have more than 100 employees. Consideration will be given to applicants who can demonstrate how power outages have historically disrupted their operations that serve LMI populations, with a corresponding explanation of what impact that has had on the community.

The key objectives of this initiative include, but are not limited too:

1. Enable community based organizations and nonprofit organizations to install solar and battery microgrid systems.
2. Harden the municipal energy grid through the deployment of battery energy storage systems that are capable of operating in conjunction with a centralized control system.
3. Provide system hosts with reliable power during grid outages to support the uninterrupted delivery of services to vulnerable groups.
4. Encourage the adoption of renewable energy sources and attendant battery energy storage by low to no profit entities who have forthwith been unable to procure these systems through private means.
5. Demonstrate the benefits of solar and microgrid systems to a territory wide audience.

## 2.2 Project Outcomes

As a result of CEI's implementation VIEO will create a network of solar and battery microgrids that will support the delivery of services to LMI individuals and vulnerable populations by lowering energy costs for the entities that provide these services, and reducing disruptions that hinder organization operations caused by routine power outages. The systems will be capable of supporting the routine baseload of the host entity in island mode, operating independently of the municipal grid in the event of a service disruption. By maintaining strict standards for the quality of system components that VIEO's approved list of vendors utilize, the agency will be able to enhance the deployment of DERs. Additionally, the benefits of energy storage systems deployed through this program will transcend host site specific resiliency benefits by participating in upcoming Virtual Power Plant programs that provide grid services such as peak shaving, intermittent load shifting and other such functions desirable for resilience of the overall power grid.

CEI expects to foster the following outcomes:

- Lessen the impact that electrical service interruptions have on the delivery of critical services to vulnerable populations.
- The hardening of the nonprofit infrastructure that provides routine, life saving interventions for LMI individuals.
- Improving the operational capacity of the Virgin Islands electrical grid by making routine the process that single customer solar and battery microgrids using behind the meter solutions navigate as they interconnect to the grid.
- Increasing the institutional knowledge and facility capacity at local regulatory agencies to safely oversee the widescale adoption of DERs onto the grid.
- Encourage consumer adoption of dispatchable battery systems.

## 2.3 Eligible Program Examples

Examples of permitted programs include, but are not limited to, the following:

### **Hardening service providers focusing on vulnerable populations**

- Installing and maintaining over the project operating term a solar and battery microgrid using behind the meter solutions sufficient to guarantee a Head Start program could continuously provide service through a 4 hour power outage.
- Installing and maintaining over the project operating term a solar and battery microgrid using behind the meter solutions sufficient to guarantee that a retirement home or senior citizen assisted living facility would be able to operate in island mode for up to 8 hours.
- Installing and maintaining over the project operating term a solar and battery microgrid using behind the meter solutions sufficient to guarantee a healthcare clinic could function for up to 24 hours in island mode.

## 3.0 Funding Mechanism and Disbursement

The CEI program will award funds based on a competitive process that will support community based organizations, nonprofit entities, and other eligible entities in their efforts to install solar and battery microgrid solutions. Funds will only be released to applicants who have successfully demonstrated through their application that the proposed project conforms with CEI's goal of enhancing energy resilience for organizations that serve vulnerable communities and have demonstrated that they will be able to maintain any installed equipment over the course of the project operating term. The project solicitation, installation, and final commissioning will be administered by VIEO on behalf of the sub-grantee entity.

### 3.1 Funding Availability

Upon certification that an application has successfully navigated the CEI vetting process, VIEO will utilize power demand load profiles at each project site to determine the appropriate system size and components, and subsequently determine the appropriate size of the grant award.



## 3.2 Funding Disbursement

VIEO will distribute funds directly to selected project vendors on behalf of the sub-grantee organization based on construction contracts solicited through the Government of the Virgin Islands Department of Property and Procurement.

## 3.3 Allowable use of Funds

CEI funds must be utilized to improve at the community level the reliability of electrical service in the territory in a way that primarily benefits LMI Population Areas. Funding is primarily available for the design, acquisition, installation, and interconnection of solar and battery microgrids using behind the meter solutions whose components can be utilized remotely to form the grid, as well as other utility supporting functions. Funds may be used to perform any studies needed to determine how best the microgrid may be interconnected to the electrical transmission grid, as well as the system's ability to function in island mode.

## 3.4 Non-allowable use of funds

Non-allowable uses of CEI funds include any expenditures not directly related to the design, acquisition, installation, and interconnection of solar and battery microgrids systems that have a clearly demonstrated public benefit. Funds awarded under this program cannot be utilized to sustain the long term maintenance of the installed components. Funds are not available to private businesses with more than 100 employees. Finally, CEI funds cannot be used to assist privately-owned utility companies.

## 4.0 Operations and Maintenance Plan

Integral to the application process is the agreement to a long term maintenance plan that includes the tasks, activities, and schedule upon which the system will be serviced over the project term. A grantee that is awarded competitive grant funds must demonstrate that they have the financial wherewithal to stay abreast of expected maintenance costs, as well as their commitment to making the microgrid's grid forming batteries available for remote coordination at the behest of a VIEO designated



community microgrid aggregator. Although VIEO expects that the CEI microgrid systems will have a useful life of approximately 10 years, a final determination of the operating term will be rendered by the system designer prior to the system's installation. This determination will be dependent upon the specific system components selected, and could be longer or shorter than the estimated 10 year term.

Points for applicants to commit to for a compliant operation and maintenance plan of the solar and battery system:

- The appropriate system size may correlate to an overall cost of \$150,000 to approximately \$500,000 as determined by VIEO. The annual operations and maintenance budget should be calculated at 0.6% of the system cost.
- The system must be included in the applicant's insurance coverage at the time of final commissioning.
- The system is expected to produce the majority, or possibly all of, the sites necessary power generation. Detail how electrical service cost savings can be used to establish a budget that details how these savings will be used to fund repairs

## 5.0 Key Requirements

All recipients of CEI funds or equipment will be required to properly use federal resources in accordance with the aims of the program. In the case of vendors selected to design or install CEI solar battery microgrids, this will entail the keeping of accurate records such as invoices, plans, and expenses related to the program, in addition to other documentation needed to curtail waste, fraud, and abuse. Microgrid hosts will be required to collect client demographics and other information that can be used to demonstrate the microgrid's impact on LMI and vulnerable populations. Over the course of the program life, VIEO will review recipients records for compliance with the programs guidelines, as well as territorial and federal law. Organizations selected for grants must allow inspection of the system by VIEO, generally on an annual basis, but increased frequency may be required under special circumstances where increased monitoring is needed for grant reporting compliance.

## 5.1 Eligibility

### Eligible Applicants

- Community-Based Organizations (CBOs)
- Nonprofit entities: Organizations with a 501(c)(3) status focused on community development, agricultural sustainability, and energy resilience.
- Elderly Care and Child Care Facilities: Daycares, Head Starts, and Retirement Homes & Assisted Living Centers
- Non-Governmental Shelter Facilities: Hurricane Shelters, Homeless Shelters, Rehabilitation Centers

Additional Information on Eligibility: The ability of an entity to host a microgrid over the course of the useful life of the components of the system, as well as site specific concerns over the ease of interconnection to the grid, and ability of the system to beneficially impact feeder resilience, are factors that will be weighed during CEI application review.

## 5.2 Compliance

VIEO will evaluate an applicants compliance with the goals of the CEI program and HUD requirements for the use of CDBG-DR funds. VIEO goals and requirements include improving the delivery of vital services to LMI and vulnerable populations by reducing the impact that power outages have on the entities that serve these groups. And improving the reliability of the electrical grid through the provision of dispatchable battery and DERs assets. All subrecipients must comply with the guidance detailed in [FR-6169-N-01](#).

## 5.3 Reporting

VIEO places great emphasis on the responsibility and accountability of grantees. As described in 24 CFR 570.490 and 570.493, VIEO has a duty to establish a robust record keeping regime that will facilitate review and audit by HUD of the agency's administration of CDBG funds. Applicants should be aware of the following:

- Before the execution of a grant agreement with VIEO, grantees will be responsible for facilitating the collection of site specific data, inclusive of, but

not limited to, the square footage of the building, dimensions of the roof proposed for solar panel installation, and space available for battery installation.

- Applicants must provide VIEO with the proposed site's parcel number, GPS coordinates, acreage, number of building stories, and whether it lies in a historic district.

## 6.0 Proposal Submissions

Applications for grants will be accepted from June 16, 2025 to July 30th. VIEO will treat as ineligible for consideration any application that is received after the deadline.

Applicants should pay special attention to this deadline and submit their materials early to avoid risk of loss of eligibility, unanticipated delays, computer service outages, or other submission-related problems. Interested applicants must submit their proposals electronically to VIEO through an interactive PDF document that can be found at [energy.vi.gov/cei](https://energy.vi.gov/cei) ; or by visiting either of the agency's headquarters at #2 Estate Carlton Suite 3 on St. Croix, or # 8000 Nisky Center 2nd Floor Ste 208 on St. Thomas and requesting a hard copy. Submissions should include:

- A completed application form
- A detailed operations and maintenance plan for the microgrid
- Evidence of LMI and vulnerable population service
- Letters of support from local employers, community organizations, or other stakeholders
- Supporting documentation inclusive of Business Licenses, GVI Vendor Number, Certificate of Good Standing

## 6.1 Questions and Answers

Questions regarding the CEI application process can be submitted to [media@vihfa.gov](mailto:media@vihfa.gov) with the subject line "CEI Application Question." Information about the CEI program can be found at <https://energy.vi.gov/cei/>

## 7.0 Application Review Information

In order to assess the proposed applicant's alignment with the goals of the CEI program VIEO will review submissions and calculate an Evaluation Score that takes into account the projects expected Community Benefit Points, Resilience Benefit Points, and Environmental Benefit Points.

- Community Benefit Points
- Resilience Benefit Points
- Environmental Benefit Points

**Community Benefit Points** will be awarded based on the impact that the microgrid will convey to the applicant entity's ability to deliver services to LMI and vulnerable populations. This can be influenced by the volume of clients that the applicant serves, how dependant their delivery of services is on the ready availability of electricity, and their willingness to committing to deploy installed battery capacity at the behest of a VIEO designated community microgrid aggregator. Being able to demonstrate that the entity functions as a critical facility, such as health centers, or is committed and capable of providing emergency shelter, are positive factors.

**Resilience Benefits Points** will be awarded based on an assessment of the risk of power outages facing an applicant. The frequency, as well as duration, of historical power outages will be taken into account alongside the potential capacity of an installed microgrid to sustain operations.

**Environmental Benefits Points** will be awarded based on an evaluation of the proposed microgrid's ability to meet the baseload demand of the applicant. The U.S.V.I has set ambitious targets for the adoption of renewable energy technologies in an effort to establish the territory's energy sovereignty and lessen its reliance on carbon emitting electrical generation.

## 7.1 Application Review Timeline

6/16/25 to 7/30/25	Beneficiary Application Window
August to October 2025	Application Review, System Sizing, Utility Coordination
November 2025	Announce Final Project Selections

## 8.0 Glossary

*Community-Based Organizations (CBOs)*: Not-for-profit organizations, social service providers, health clinics, victim support centers, educational organizations, and organizations with experience working with low- to moderate-income populations or vulnerable populations or other groups whose participation promotes equity and engagement, as well as other organizations whose focus is serving local communities in the U.S. Virgin Islands.

*Resilience hubs* are community centric facilities that provide services and assistance to residents on a routine basis, respond actively to provide assistance during emergencies, and aid in recovery following a disaster. These diverse organizations can consist of trusted spaces like community centers, places of worship, educational institutions, and more.

*A Resilience Hub Network* is comprised of community serving facilities that provide year round services to their community members, as well as before, during and after a disaster. The roles of hubs in the network varies, with some having the capacity for convening during an emergency, while others offer different community focused services.