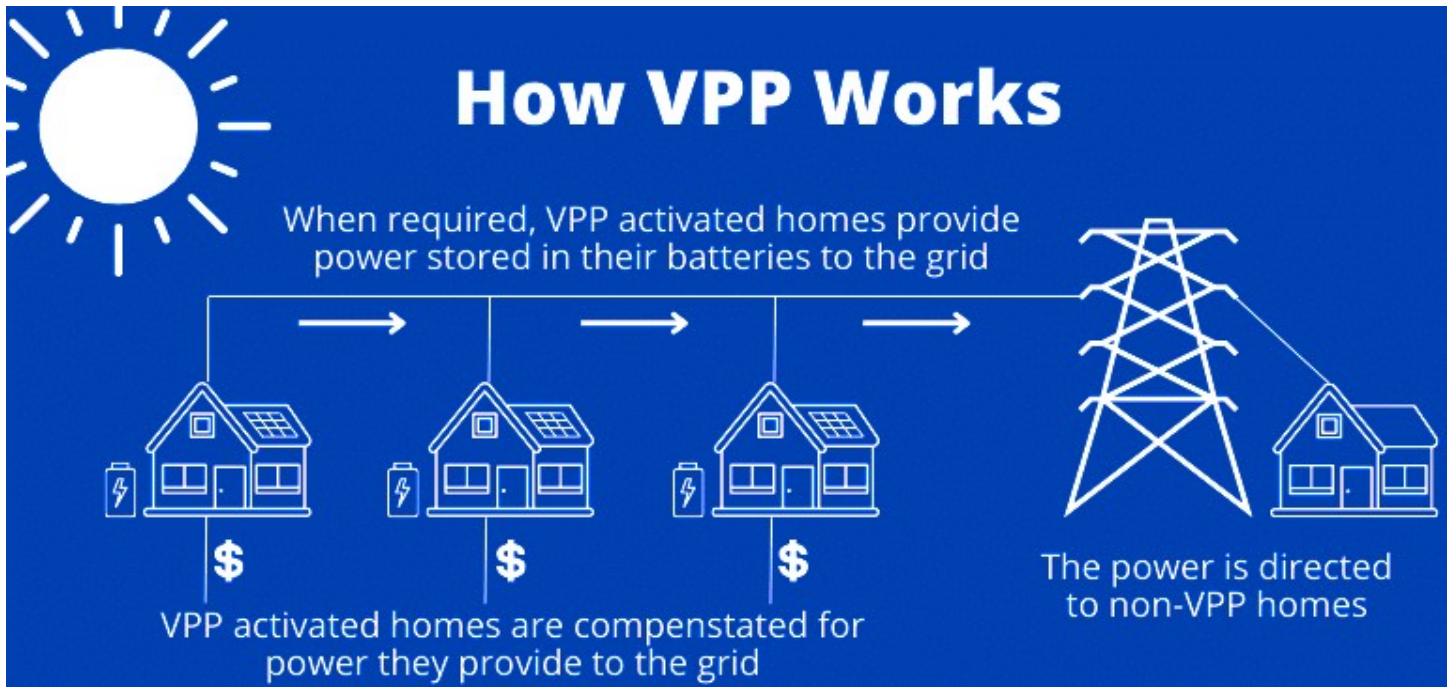




Government of the Virgin Islands
Office of the Governor
Virgin Islands Energy Office



VIBES 2.0 - VPP Pilot Program

This Program is supported by the U.S. Department of Energy
State Energy Program Bipartisan Infrastructure Law (SEP BIL)
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Program Launch Date: April 1st, 2026

VIRGIN ISLANDS BATTERY ENERGY STORAGE (VIBES) 2.0 VPP PILOT PROGRAM

TERMS AND CONDITIONS

Version: 2.0

Effective Date: 04/01/2026



1. Program Overview

The Virgin Islands Energy Office (VIEO) has created the Virgin Islands Battery Energy Storage Pilot Program ("VIBES" or "Program") to integrate residential battery systems within the electric grid in partnership with Virgin Islands Water and Power Authority (WAPA). The Program is an innovative solution to enhance grid resiliency through distributed residential battery system resources ("Equipment").

Program Goals

- Test distributed residential battery system aggregation capabilities
- Reduce system peak demand during critical periods
- Evaluate the economic dispatch potential of residential batteries
- Develop grid management protocols for battery integration

Eligible Participants

The Program is a three-year initiative open to all U.S. Virgin Islands (USVI) residents who have installed batteries (new and existing). To participate in the VIBES 2.0-VPP Pilot, you must be at least 18 years of age and maintain an active residential electric account with WAPA. Additionally, the DER systems must be **enrolled or applied to the Net Energy Billing (NEB) program or enrolled in the legacy Net Energy Metering (NEM) program.**

Participation

Participation in the Program is voluntary. Participants agree to allow remote dispatch of behind the meter energy storage devices to support the grid, particularly during system peaks to ensure grid resilience.

Incentive

Participants will receive a one-time incentive of \$500 per battery system (maximum \$2,000 per participant) for enrolling in the program. Ongoing participation will be incentivized through an annual incentive of \$500 per battery (maximum \$2,000 per participant), with payments distributed quarterly at \$125 per battery.

Approved Battery Systems

The Program welcomes both existing battery installations and new installations. Initially, the Program eligibility will be limited to applicants with Tesla Powerwall 2.0 & 3.0, due to the high penetration of units already installed in the USVI.

Program Duration

The Program will operate for three (3) years from the first quarter of 2026 through the end of 2028, with the possibility of transitioning to a permanent program in 2029.

Program Evolution

The Program will evolve through time to continually ensure battery systems are being integrated in an effective manner, including but not limited to technology requirements, varying incentive levels, requirements to participate in utility-specific battery rate schedules or programs, and other operational modifications based on program experience and grid needs.

2. Program Summary

The key features and requirements of the VIBES 2.0 VPP Pilot Program are summarized in the **Table 1** below. Detailed terms and conditions for each parameter are provided in the following sections and in the **Appendices**.

Table 1. A Summary of the VIBES 2.0 - VPP Pilot Program

Parameter	Description
Enrollment Period	Second quarter of 2026 through December 2028
Participant Incentive	<ul style="list-style-type: none">One-time incentive of \$500 per battery system (maximum \$2,000 per participant) for enrolling in the programOngoing participation will be incentivized through an annual participant incentive of \$500 per battery (maximum \$2,000 per participant), paid quarterly at \$125 per battery
Minimum Participation Term	One (1) year with automatic renewal for up to two (2) additional years unless terminated
Eligible Battery	Have an installed battery from an eligible OEM (Tesla Powerwall 2.0 or 3.0)
Participant Eligibility	<ul style="list-style-type: none">Must be 18 years of ageMust have a WAPA residential meterBe enrolled/applied in either:<ul style="list-style-type: none">NEM – available for grandfathered systems installed prior to June 2017NEB – all systems installed after June 2017
Event Frequency	Up to 50 events per year, maximum of one event per day
Event Duration	Typically, between 2-4 hours, maximum 6 hours
Event Timing	12:00 PM–10:00 PM year-round, ideally 5:00 PM–10:00 PM, focus on summer peak (6:00 PM–9:00 PM)
Event Notification	Minimum 2 hours advance notice, typically 24 hours
Battery Capacity Participation	Initially, the battery will be set at 50% of usable battery capacity to be available during events. Participants can adjust this value at any time to accommodate their needs.
Participation Requirement	<ul style="list-style-type: none">Participate in the majority of events, with a goal of 80% event participationConsent to share data with VIEO, WAPA, and PSC to measure the performance of each event
Estimated Program Impact	5 MW aggregated power, 12.5 MWh of dispatchable battery capacity

3. Eligibility Requirements

To participate in the Program, you must:

- Age:** Be at least 18 years of age
- WAPA Account:** Maintain an active residential electric account with WAPA in good standing
- Net Metering:** Be enrolled/applied to either:

- Net Energy Metering (NEM) for systems installed prior to June 2017, or
- Net Energy Billing (NEB) for systems installed after June 2017
- 4. **Compatible Equipment:** Have an installed Tesla Powerwall 2.0 or 3.0 battery system that can integrate with the Program's DERMS
- 5. **Installation Timing:** Battery System must be:
 - An existing installation that can integrate with the Program's DERMS
- 6. **Internet Connectivity:** Maintain a reliable internet service capable of communicating with the Battery System
- 7. **System Access:** Provide VIEO and its agents access to monitor and dispatch the Battery System

4. Incentive Payment

4.1. Payment Structure

- One-time enrollment incentive of \$500 per enrolled battery
 - Maximum enrollment incentive of \$2,000 per participant (up to 4 battery systems)
- Ongoing quarterly incentive payments of \$125 per battery, up to 4 batteries.

4.2. Payment Conditions

Incentive payments are contingent upon:

- Maintaining program eligibility throughout the payment period
- Participate in the majority of events
- Battery System performance within acceptable parameters

4.3. Payment Disbursements

Payments are contingent upon adherence to the program's Terms and Conditions. The VIEO initiates all payments, which are then submitted to the Department of Property and Procurement (DPP) and the Department of Finance (DOF) for processing. Once approved, both the one-time and annual quarterly incentive checks are mailed directly to participants by the DOF on behalf of the Government of the Virgin Islands.

To avoid payment delays, please ensure:

- The name and identifying information of your VIBES 2.0 - VPP Pilot Program application match exactly with the name on your IRS W-9 form
- Your mailing address is clearly written on the IRS W-9 form; this is where your check will be sent
- Your Social Security Number (SSN) or Employer Identification Number (EIN) is correctly noted, and the application is signed and dated

4.4. Future Program Evolution

The Program may transition to a pay-for-performance structure beginning in Year 4 (2029), with incentive levels potentially adjusted based on enrollment and performance in Years 1-3 (2025-2028).

5. Contact Information

Virgin Islands Energy Office
#2 Estate Carlton, Suite 3, Frederiksted, VI 00840
Phone: (340) 713-8436 (VIEO)
Website: <https://energy.vi.gov/vibes2.0/>

6. Participant Acknowledgment

By enrolling in the VIBES Pilot Program, I acknowledge that I have read, understood, and agree to be bound by these Terms and Conditions.

Property Address		
Participant Name (Print):		
Participant Signature:	Date	/ /
VIEO Representative Name (Print):		
VIEO Representative Signature:	Date	/ /

APPENDICES

A.1. Definitions

"Aggregator" means the third-party entity that provides the edge DERMS platform operations, ensures data management, and may provide incentive pass-through to participants.

"Agreement" means these Terms and Conditions and any amendments or modifications hereto.

"Battery System" or **"Equipment"** means the residential battery energy storage system installed at the Participant's premises that is eligible for and enrolled in the Program.

"Control Event" or **"Event"** means a period during which VIEO dispatches the Battery System to discharge energy to the Grid as part of the Program.

"DERMS" means the distributed energy resource management system used to communicate with and control Battery Systems.

"Grid" means the electric transmission and distribution system operated by WAPA in the U.S. Virgin Islands.

"NEB" means Net Energy Billing administered through WAPA.

"NEM" means Net Energy Metering administered through WAPA.

"OEM" means Original Equipment Manufacturer of eligible battery systems, responsible for enrolling participants and submitting data to the Aggregator.

"Participant" means the residential customer who owns the premises where the Battery System is installed and has enrolled in the Program.

"PSC" means the Virgin Islands Public Services Commission.

"Program" means the Virgin Islands Battery Energy Storage (VIBES) Pilot Program described herein.

"Program Administrator" means VIEO, which provides program administration, participant approval, and co-triggers events in coordination with WAPA.

"VIEO" means the Virgin Islands Energy Office.

"WAPA" means the Virgin Islands Water and Power Authority.

A.2. Application and Selection Process

5.1. Application Period

The first day of the initial application period will be posted on the VIEO website with at least 30 days' notice. Applications may be submitted no earlier than the first day of the application period and are applicable to both new installations and installations completed no earlier than 90 days prior to submission of an application.

5.2. Initial Application Window

Customers may initially apply for the Program during a four-week application period. Details regarding the application acceptance and review process are available on the VIEO website and in program materials.

5.3. Selection Process

If eligible applications received in the initial four-week period exceed the participation limit, eligible applications will be entered into the Random Selection Process (RSP) system to ensure fair participant

selection. VIEO will send communications to customers informing them of their receipt of a Program reservation or placement on a waiting list.

5.4. Secondary Application Period

After initial communications are sent, a second application period will open with applications received added to the waiting list in first-come, first-served order. If eligible applications received in the initial four-week period do not exceed the participation limit, VIEO will continue to accept applications beyond the first four weeks and incentives will be allocated to eligible applications on a first-come, first-served basis.

A.3. Participant Obligations

6.1. Equipment Requirements

You agree to:

- Maintain the Battery System in good working condition
- Ensure continuous internet connectivity for system communication
- Maintain all required manufacturer accounts and applications
- Allow remote access for monitoring and dispatch purposes
- Notify VIEO within 48 hours of any system malfunctions or communication failures

6.2. Event Participation

You commit to:

- Maintain the Battery System in dispatch-ready condition
- Not manually override system dispatch during events without prior approval. All customers will be notified and have the opportunity to opt out of events prior to events being called. (See Section A.5 for more details)

6.3. Data Sharing

You consent to share Battery System performance and energy usage data with VIEO, WAPA, and the PSC for program evaluation and grid management purposes. You also agree that Program may access the Equipment remotely for load management purposes, and to monitor energy usage discharge and performance.

A.4. Equipment Performance Standards

7.1. Performance Requirements

Your Battery System must:

- Perform within $\pm 10\%$ of enrolled capacity specifications
- Successfully respond to at least 90% of dispatch signals
- Maintain continuous communication with the DERMS platform

7.2. Performance Issues

If your Battery System fails to meet performance standards:

- You will receive written notice and have 30 days to resolve the issue

- VIEO will verify corrective measures through testing
- Failure to restore performance within 30 days may result in program termination
- You also acknowledge responsibility for compliance with all applicable agreements, terms of use/service, costs, and other policies of your Equipment manufacturer/installer and your internet service provider (ISP).

7.3. Communication Failures

If VIEO cannot communicate with your Battery System:

- You have 30 days from written notice to restore communication
- Failure to restore communication may result in program termination
- Repeated communication failures may incur fees as described in the **Fees and Charges** section.

A.5. Event Management

8.1. Event Dispatch

VIEO, in coordination with WAPA, may call up to 50 events per year based on grid conditions and operational needs. Events will focus on:

- Summer and winter peak reduction
- Mid-day peak shaving when applicable
- Testing economic dispatch capabilities
- System resilience during high-demand periods

The Program utilizes a DERMS platform provided by a third-party aggregator to optimize resource performance and enable scalable control of enrolled Battery Systems.

8.2. Event Notifications

- Minimum 2 hours advance notice via phone call, email, text, or mobile app
- Most notifications will be provided 24 hours in advance, up can be called up to 2 hours in advance
- Event details will include start time and duration

8.3. Aggregator Communication Protocols

As appropriately based on forecast and actual grid conditions, VIEO will provide the following notices to the Aggregator via email communication:

- VIEO in coordination with WAPA will call Events when forecast or actual grid conditions show that reserve capacity will be deficient on the following day or in the current day. An Event Notice will be communicated, and the Aggregator will acknowledge receipt of the Event Notice.
- VIEO, in coordination with WAPA, will provide an Event Notice as soon as it can be established that reserve capacity is forecast to be deficient, up to a day ahead. Events can start no earlier than 15 minutes after an Event Notice is communicated by VIEO. The Event Notice will include the start time of the event at 0, 15, 30, or 45 min after the hour and the Event duration in increments of 15 minutes.

- Events will not be cancelled once called except if the Event jeopardizes grid operations. To cancel an Event, VIEO will provide an Event Cancellation Notice, communicated by email or other mutually agreed upon means, that contains the end time of the Event.

8.4. Opt-Out Provisions

- If VIEO is unable to communicate with Participant's installed Equipment during an Event, it will be counted as an Event opt-out
- Opt-outs not caused by fault of Participant shall not be considered an opt out
- You may opt-out of events; however, if you opt-out of the majority of events per quarter your payment for the following quarter may be withheld
- Additional opt-outs may result in program termination
- Communication failures count as opt-outs unless caused by VIEO systems

8.5. Weather Event Considerations

We realize many customers purchase battery energy storage systems in part for backup power during power outages. VIEO will make reasonable attempts to avoid calling events if large scale storms are forecasted. VIEO cannot account for outages resulting from isolated and/or localized storms. Customers should discuss the ability to opt out of an event with their battery manufacturer in this scenario.

8.6. Testing Procedures

A performance test event is not planned in this program. However, VIEO may elect to run communication tests to ensure all notification processes are functioning properly. Participants will be notified in advance of any communication testing.

A.6. Data Privacy and Security

9.1. Data Collection

VIEO collects Battery System performance data including:

- Energy discharge amounts and timing
- System availability and response rates
- Communication and performance diagnostics

9.2. Data Use

Data will be used solely for:

- Program performance evaluation
- Grid planning and operations
- Regulatory reporting requirements
- Research needed to Develop grid management protocols for battery integration (with personal identifiers removed)

9.3. Data Sharing

Data will be shared with WAPA, the PSC, and the approved Program Administrator and/or Aggregator for:

- Program performance evaluation and grid impact analysis

- Grid planning and operations, including feeder-level impacts and transformer capacity assessments
- Regulatory reporting and oversight requirements
- Pilot program evaluation and transition planning

DERMS data access will be shared across VIEO and WAPA to ensure coordinated grid management.

9.4. Data Security

VIEO, its Aggregator, and WAPA will implement reasonable security measures to protect participant data and will notify participants of any data breaches as required by law.

A.7. Fees and Charges

10.1. Communication Failure & Inoperable Equipment

If your Battery System cannot communicate with VIEO systems or becomes inoperable for more than 30 consecutive days, VIEO may temporarily withhold future incentive payments or assess a program fee to cover administrative or technical support costs.

If the system remains inactive for 12 consecutive months, VIEO may remove your system from active program participation.

VIEO recognizes that technical or communication issues may occur during this pilot. Participants are strongly encouraged to contact VIEO as soon as possible for assistance in restoring communication or functionality. VIEO will work collaboratively with participants to troubleshoot and identify solutions wherever feasible. The intent of this provision is to ensure reliable operation and support shared learning during this pilot phase—not to penalize participants acting in good faith.

A.8. Termination

11.1. Termination by Participant

You may terminate this Agreement at any time with 30 days written notice. Early termination may result in pro-rated fee obligations if your battery system cannot communicate with VIEO systems or become inoperable for more than 30 consecutive days, VIEO may temporarily withhold future incentive payments or assess a program fee to cover administrative or technical support costs.

11.2. Termination by VIEO

VIEO may terminate your participation with 30 days' written notice for:

- Failure to meet participation requirements
- Equipment performance issues not resolved within specified timeframes
- Violation of Agreement terms
- Enrollment in conflicting energy programs

11.3. Program Termination

VIEO may terminate the entire Program with 30 days' notice to all participants.

A.9. Limitations of Liability

12.1. Equipment Disclaimer

BECAUSE THE EQUIPMENT CAN BE DEPLETED AT ANY TIME, YOU AGREE NOT TO RELY EXCLUSIVELY ON THE BATTERY EQUIPMENT TO POWER LIFE-SUPPORTING EQUIPMENT.

12.2. Program Limitations

VIEO makes no warranties regarding:

- Uninterrupted program operation
- Specific financial benefits beyond stated incentives
- Equipment performance or reliability
- Backup power availability during outages

12.3. Liability Limits

TO THE MAXIMUM EXTENT PERMITTED BY LAW, VIEO'S LIABILITY FOR ANY CLAIMS ARISING FROM THIS AGREEMENT IS LIMITED TO THE TOTAL INCENTIVES PAID TO YOU UNDER THIS AGREEMENT.

A.10. General Provisions

13.1. Governing Law

This Agreement is governed by the laws of the U.S. Virgin Islands without regard to conflict of law principles.

13.2. Dispute Resolution

Any disputes will be resolved through binding arbitration in the U.S. Virgin Islands under the rules of the American Arbitration Association.

13.3. Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, representations, or agreements relating to the subject matter.

13.4. Program Modifications and Revisions

The Program will operate for three (3) years from the last quarter of 2025 through the end of 2028, with the possibility of transitioning to a permanent WAPA-operated program. VIEO may modify these terms with 30 days' written notice. Continued participation constitutes acceptance of modifications.

VIEO may also make minor revisions to pilot guidelines and operational procedures based on lessons learned during pilot operations after discussing changes with aggregators, WAPA, and other program stakeholders. Such operational revisions will be communicated to participants with appropriate notice.

13.5. Program Transfer to WAPA

The Pilot may be transferred from VIEO management to WAPA management during or at the conclusion of the pilot period. Such transfer will be coordinated between VIEO, WAPA, and the PSC to ensure continuity of program operations and participant benefits. Participants will be notified of any management transfer with appropriate advance notice.

13.6. Assignment

You may not assign this Agreement without VIEO's written consent. VIEO may assign this Agreement to WAPA or other qualified entities.

13.7. Severability

If any provision is found invalid or unenforceable, the remaining provisions will remain in full force and effect.

13.8. Tax Responsibilities

You are responsible for reporting all incentive payments as income on applicable tax returns and for any resulting tax obligations and assumes full responsibility for any income tax obligations or consequences resulting from the receipt of incentives.

13.9. Property Ownership

VIEO reserves the right to require participants to own the premises where the Battery System is installed. If VIEO requires participants to own the premise they may be required to provide VIEO with 30 days' written notice of any property sale or transfer. Upon property sale, a participant may:

- Terminate this Agreement and pay applicable termination fees, or
- Transfer this Agreement to the new property owner with VIEO's written consent

Any property sale must be in writing and does not relieve a participant of obligations incurred prior to the transfer date. Sale or transfer of the Equipment to a third party who has not assumed this agreement shall constitute automatic termination of this Agreement, and in that case, you acknowledge that you will be billed for any upfront incentive on a pro-rata basis.

13.10. Electric Utility Account Requirement

Participation in the VIBES Pilot is limited to customers who maintain an active residential electric service account with WAPA. Loss of eligibility or termination of the WAPA account may automatically disqualify the participant from the Pilot.



Virgin Islands Battery Energy Storage Pilot Program Application

This section is for VIEO Employee use only:

Received Date: _____ Received By: _____ VIBES Pilot #: _____

Please check off the following required supporting documentation and attach to your VIBES Pilot Application:

- Completed IRS W-9 form (with your mailing address noted)
- Government-issued ID (or valid driver's license and copy)

Section 1: VIBES Pilot Applicant Information

Applicant Name: _____
Last First Middle Initial

Last 4 Digits of SSN: _____ E-mail Address: _____

Service Address: _____
Street City State Zip

Mailing Address: _____
P.O. Box/Street City State Zip

Telephone: _____ Mobile/Cell: _____

Historic Building: Yes No

Section 2: System Information

VI WAPA Account Number: _____

Battery Brand Name: _____

Battery Model Number: _____

Combined Storage Capacity (kWh): _____

Battery system: Existing New installation If new installation, when was it completed? _____

Do you have plans to add capacity to your existing battery system? Yes No

Do you currently have a photovoltaic (PV) system installed at the service address? Yes No

For an installed PV system, is it registered under the Net Energy Metering (NEM) Net Energy Billing (NEB)

I certify that all information supplied herein is true and correct. I understand that the VIEO reserves the right to inspect items to ensure installation at the above address. I understand that non-compliance with the VIBES Pilot Program rules and regulations is considered fraudulent and prosecutable, and that payment is contingent on adherence to program terms and conditions.

Applicant Signature: _____

Date: _____

