



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: May 13, 2020

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - PROPOSED RENEWAL OF THE STANDARD OFFER FOR PORT OF LOS ANGELES ALTERNATIVE MARITIME POWER ELECTRIC SERVICE AGREEMENT BETWEEN THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER AND THE LOS ANGELES HARBOR DEPARTMENT

SUMMARY:

Staff requests approval of the proposed renewal of the Standard Offer of Electric Service Agreement (Agreement). Alternative Maritime Power (AMP) systems allow container ships to be powered by shore-supplied electrical power while at berth. To transfer power via AMP from the vessel generators to the utility supplied source, it is required to connect the ship in parallel to the utility lines. The City of Los Angeles Department of Water and Power (LADWP) considers this arrangement as a customer-owned generator connection and requires the customer to enter an Agreement to purchase power for the AMP systems. This Agreement also allows the application of LADWP's published AMP rate and is valid for three years from its execution date after which it is required to be renewed every subsequent three years. The current Agreement for container ships will expire on July 12, 2020. The proposed Agreement will provide another three-year term for LADWP to continue allowing AMP connections and applying the AMP rate.

While the Harbor Department is financially responsible for paying AMP expenses incurred by its customers, historically 95% - 99% of these AMP expenses are ultimately reimbursed.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed City of Los Angeles Department of Water and Power (LADWP) Standard Offer for the Port of Los Angeles' Alternative Maritime Power (AMP) Electric Service Agreement (Agreement) allowing LADWP to service AMP connections and to apply the published AMP rate for an additional three-year term;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and or on behalf of the Board;

SUBJECT: RENEWAL OF STANDARD CUSTOMER GENERATION MULTI-FACILITY INTERCONNECTION AGREEMENT

4. Authorize the Executive Director or designee to on behalf of the Board sign and execute subject Agreement's future renewals and amendments;
5. Authorize the Executive Director or designee to act as the authorized representative for the purpose of adding or removing generation facilities from the subject Agreement as required; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background – AMP is an electrical system that allows ships to connect and be powered by shore-supplied electrical power while at berth. To transfer power via AMP from the vessel generators to the utility supplied source it is required to connect the ship in parallel to the utility lines. LADWP considers this arrangement as customer-owned generator connection and requires the customer to enter an AMP Electric Service Agreement. The Port of Los Angeles (Port) currently has 24 berths that are AMP capable with a total of 69 connection points to service ships while berthing at the Port.

On November 20, 2008, the Board of Harbor Commissioners authorized the Executive Director to sign a Standard Customer Generation Multi-Facility Interconnection Agreement between LADWP and the Harbor Department. This Agreement was executed by LADWP on March 6, 2009. This Agreement identifies responsibilities relating to the construction, cost, and use of AMP infrastructure and in the development of the AMP program at the Port. This Agreement also implements the published AMP rates for any AMP user at the Port. The agreement has been renewed every three years with the most recent being for the period July 12, 2017 – July 11, 2020. The proposed Agreement (Transmittal 1) renews the terms and conditions of the expiring agreement for a third three-year period beginning July 12, 2020.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the LADWP Standard Offer renewal for the Port of Los Angeles' AMP Electric Service Agreement allowing LADWP to service AMP connections and to apply the published AMP rate for another three-year term, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Renewal of the proposed Agreement will ensure that the Port's customers will continue to be billed at the published AMP rates. The Harbor Department is billed directly by the LADWP for all electrical charges. The Harbor Department in turn bills individual customers for their usage. During calendar year of 2019, the Harbor Department received \$12.4 million in AMP reimbursements from customers while paying LADWP \$12.8 million for such charges.

AMP connection and disconnection costs as well as ongoing maintenance costs at container terminals are fully absorbed by the Harbor Department. However, AMP connection and disconnection charges are recovered at the cruise terminal.

CITY ATTORNEY:


The Office of the City Attorney has reviewed and approved the LADWP Standard Offer for the Port's AMP Agreement as to form and legality.


TRANSMITTALS:

- 1. LADWP Standard Offer for Port of Los Angeles Alternative Maritime Power (AMP) Agreement - 2020


FIS Approval: MB (initials)

CA Approval: SO (initials)


 DAVID M. WALSH, P.E.
 Chief Harbor Engineer


 ANTONIO V. GIOIELLO, P.E.
 Deputy Executive Director, Development

APPROVED:


 FOR
 EUGENE D. SEROKA
 Executive Director