

AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CALIFORNIA, THE OFFICE OF THE MAYOR OF THE CITY OF LOS ANGELES, AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT CREATING A PARTNERSHIP TO REDUCE GREENHOUSE GASES AND SUPPORT THE PORT OF LOS ANGELES CLEAN AIR ACTION PLAN

This Amendment is entered into between and among ERIC GARCETTI, Mayor of the City of Los Angeles (“Mayor”), the CITY OF LOS ANGELES HARBOR DEPARTMENT (“POLA” or the “Port”) and KAMALA HARRIS, Attorney General of California, on behalf of the People of the State of California (“Attorney General”), and is effective as of the date all parties have signed (the "Effective Date"). The Mayor, POLA, and the Attorney General are collectively referred to herein as the "Parties."

This Amendment is intended to modify Sections 1.a., 1.e., 23 and Attachment C of the Memorandum of Understanding between and among the Parties effective December 7, 2007 (“MOU”), which established a partnership among the Parties to reduce greenhouse gas emissions and a collaborative model to situate the state and region at the forefront of environmental leadership.

RECITALS

A. The Parties declare their continuing commitment to their partnership to reduce greenhouse gas emissions under the MOU, including POLA’s commitment to (1) a photovoltaic system(s) providing a minimum of 10 megawatts (MW) of solar-generated electric power constructed on land owned by POLA (“the Solar Power Project”), pursuant to Section 2 of the MOU, and (2) periodic reporting of expanded port-wide greenhouse gas emissions inventory (“GHG Inventory”) pursuant to Section 1 of the MOU.

B. The Parties desire to modify the MOU to reflect their understanding regarding the mechanisms and the timing by which the Solar Power Project will be fully realized, and the frequency of the GHG Inventory delivery.

C. The Parties acknowledge that POLA has completed construction of approximately 1.6 MW of the Solar Power Project which is fully operational. The Parties acknowledge that projects of approximately 12,622 kilowatts are currently in pre-construction planning or under construction.

D. The Parties recognize that the steps outlined in Attachment C to the MOU have not occurred according the schedule outlined in Attachment C, and have met and conferred regularly to discuss efforts made and obstacles to achieving the original schedule as well as alternative mechanisms and timing to achieve the Solar Power Project.

E. The Parties do not dispute that POLA has used diligent efforts to achieve the Solar Project as outlined in Attachment C. The Parties agree that there are changed circumstances and new strategies available for execution and completion of the Solar Power Project.

G. The Parties acknowledge that POLA has conducted and provided to the Attorney General's Office a GHG Inventory for five years, for the calendar years 2006, 2007, 2008, 2009 and 2010, until the Parties by mutual agreement agreed to defer reporting until frequency could be assessed.

H. The Parties recognize that the information reported in the GHG Inventories does not change significantly from one year to the next, but that it may change over longer periods of time.

I. In addition, POLA has prepared two other annual GHG inventories: (1) a GHG emissions inventory for municipally-controlled sources to The Climate Registry (TCR Inventory), formerly the California Climate Action Registry (CCAR), posted on the TCR website, and (2) the Port of Los Angeles Annual Inventory of Air Emissions (POLA Inventory), which includes a GHG emissions inventory and year-over-year comparison for tenant-controlled mobile sources from rail, trucks, and ships, posted on the POLA website.

J. Pursuant to Section 2.e. of the MOU, Parties have met and conferred several times to discuss altering the frequency at which the GHG Inventory must be conducted and to explore alternative mechanisms by which POLA shall complete the Solar Power Project.

NOW, THEREFORE, in consideration of the terms, conditions and covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT REGARDING MODIFICATION OF MOU

1. By this Amendment, the Parties confirm POLA's commitment to arrange for the installation and operation of the Solar Power Project, as set forth in Attachment C-2014, and continued periodic reporting of the GHG Inventory.

2. Sections 1.a. and 1.e. of the MOU are hereby modified to delete the word "annual." The Parties agree that POLA will conduct the GHG Inventory once every five years, beginning in 2016 (for calendar year 2015 emissions). The Parties agree that POLA shall continue to conduct and publish the TCR Inventory and the POLA Inventory annually.

3. Attachment C to the MOU shall be deleted and replaced in its entirety by Attachment C-2014 and Table C-1, attached to this Amendment.

4. Section 23 to the MOU shall be modified to change the address for notices to the Mayor of Los Angeles and the Los Angeles Harbor Department as follows:

For the Mayor of Los Angeles:

Richard Llewellyn
Office of the Mayor of Los Angeles
200 N. Spring St., #305
Los Angeles, CA 90012

For the Los Angeles Harbor Department:

Eugene D. Seroka
General Manager
Port of Los Angeles
425 S. Palos Verdes St.
San Pedro, CA 90731

5. This Amendment may be executed in counterparts, each of which shall be deemed an original. This Amendment shall be binding upon the receipt of facsimile signatures.

6. This Amendment shall be deemed to have been jointly drafted, so that the general rule of construction that it be construed against the drafter shall not apply.

7. This Amendment is effective upon the date that all Parties have signed.

In witness whereof, this Amendment is executed by the following:

PEOPLE OF THE STATE OF CALIFORNIA,
BY AND THROUGH ATTORNEY GENERAL
KAMALA D. HARRIS

Date: _____

MAYOR OF THE CITY OF LOS ANGELES
ERIC GARCETTI

Date: _____

CITY OF LOS ANGELES, BY AND THROUGH
ITS BOARD OF HARBOR COMMISSIONERS

Date: _____ By _____
Eugene D. Seroka, General Manager

Attest _____
Board Secretary

APPROVED AS TO FORM

_____, 2015
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel, Harbor Department

By _____
Joy M. Crose, Assistant General Counsel

ATTACHMENT C-2015

MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CALIFORNIA, THE OFFICE OF THE MAYOR OF THE CITY OF LOS ANGELES, AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT CREATING A PARTNERSHIP TO REDUCE GREENHOUSE GASES AND SUPPORT THE PORT OF LOS ANGELES CLEAN AIR ACTION PLAN

Conceptual Scope for Solar Photovoltaic Solar Power Development At the Port of Los Angeles

Introduction

The Port of Los Angeles (POLA) has developed a three phase project for the installation of photovoltaic (PV) solar power on POLA property. The goal is to provide a minimum of ten megawatts (MW) zero-emission electricity to help offset future incremental load resulting from port electrification.

Phases 1, 2 and 3

Phase 1 consists of approximately 1.16 MW of PV Solar Power:

- 1,093 kilowatts (kW) of projects at the Berths 212-225 Crane Maintenance Building, Utro's Café at Berth 73, Berths 93A & B Cruise Terminal, and Port Police Headquarters Building were completed in August, 2011;
- 70 kW of projects at the Rear Berths 136-139 Administration Building and at the Berth 200 Rail Yard Maintenance Building are estimated to be completed by approximately June 30, 2015.

Phase 2 initially proceeded after the successful implementation of parts of Phase 1, and to date includes approximately 727 kW of PV Solar Power:

- 477 kW of projects at the Berths 225-232 Receiving Canopy and Reefer Wash, Harbor Administration Building and Liberty Hill Plaza, were completed in December 2012;
- 250 kW project at Berths 68-69 Warehouse No. 1 is estimated to be completed by June 30 2016.

Phase 3 consists of projects to be built on POLA property under the Los Angeles Department of Water and Power (LADWP) Feed-in Tariff Set Pricing (FiT) Program. The estimated completion date for these projects is August 31, 2018. (See Table C-1, attached.)

Implementation Process

POLA will either manage or facilitate the design, construction, installation, operation, maintenance and potential third party ownership of PV solar power systems (PV Systems).

Phase 1 Implementation:

For Phase 1, POLA managed the installation of rooftop PV Systems at Utro's Café at Berth 73, the Berths 93A & B Cruise Terminal, and the Port Police Headquarters using either a purchase order or a construction contract. A port tenant installed a PV Systems at the Berths 212-225 Crane Maintenance Building. POLA is in the process of installing rooftop PV Systems at the Berth 200 Rail Yard Maintenance Building and Rear Berth 136-139 Administration Building through construction contracts under its Capital Improvements Program.

Phase 2 Implementation:

For Phase 2, POLA facilitated the installation of rooftop PV Systems at the Berths 225-232 Receiving Canopy and Reefer Wash, Harbor Administration Building, and Liberty Hill Plaza by the LADWP. POLA entered into an agreement with LADWP to have them install these PV Systems at no cost to POLA. In exchange, POLA would make available buildings with rooftops that had a minimum remaining life of 25 years. POLA both contracted out and used its own employees to upgrade the roofs on these four buildings. LADWP contracted out the design of the PV Systems and the procurement of equipment required to build them. LADWP used their own employees to build the PV Systems.

Phase 3 Implementation:

For Phase 3, POLA will facilitate the installation of PV Systems under the LADWP FiT Program by an experienced solar power developer (Developer) selected by POLA through a Request for Proposals (RFP), as set forth in Table C-1. To secure participation in the LADWP FiT Program, POLA submitted 12 applications under the LADWP 100 MW FiT Set Pricing Program (FiT100). The LADWP FiT Program process, as applied to the POLA Solar Power Project, includes the following steps:

- POLA submits applications under LADWP FiT100 Tier Levels 3 and 4 (May and August 2014.)
- POLA receives high priority rankings for 12 solar PV projects under LADWP's FiT100 program: (i) seven projects under Tier 3, totaling 6.5 MW, and (ii) five more large-scale projects under Tier 4, totaling 5.6 MW. (October 2014.)
- LADWP performs technical screening of POLA's FiT100 project applications. (Completed for all 12 projects as of 12/31/14.)
- LADWP performs Interconnection Study for each project, to determine feasibility and estimated interconnection costs. (Completed for two of 12 projects as of 12/31/14.)
- POLA issues RFP to select a Developer to construct POLA's FiT100 projects. (RFP issued 10/15/2014.)
- POLA evaluates proposals and selects developer. (Completed March 2015.)

- POLA negotiates and signs Operating Agreement with developer. (Estimated August 2015.)
- The POLA-Developer Operating Agreement is submitted for approval to Board of Harbor Commissioners and Los Angeles City Council. (Estimated September 2015.)
- After receipt of required contractual materials, deposits and compliance documentation, LADWP executes Standard Offer Power Purchase Agreement and Interconnection Agreement. (Estimated March - August 2016.)
- Developer performs design, development, permitting and construction of the approved projects during the ensuing 18-24 month period. (Estimated completion March - August 2018.)
- LADWP performs post-completion inspection of project, Developer performs corrections if needed, and LADWP installs meter for power delivery. (Estimated August 2018.)
- Operational period -- approximately 20 years.

TABLE C-1: POLA Solar Power Project PV Systems

PHASE 1 & 2: Solar Power Project PV Systems COMPLETED Pursuant to MOU			
Project Name and Location	Wattage (kilowatts)	Developer Name	Date of Completion
Berths 212-225 Crane Maintenance Building	7.68	Yusen Terminal	04/01/2010
Utro's Café at Berth 73	1.61	POLA/LA Solar	05/19/2010
Berths 93A & B Cruise Terminal	1,079.40	POLA/Cupertino Electric	10/20/2010
Port Police Headquarters	4.08	POLA/FTR International	07/23/2011
Berths 225-232 Receiving Canopy	119.88	Ecolectrics/LADWP	06/06/2012
Berths 225-232 Reefer Wash	59.94	Ecolectrics/LADWP	06/06/2012
Harbor Administration Building	155.52	Ecolectrics/LADWP	12/17/2012
Liberty Hill Plaza	142.08	Ecolectrics/LADWP	12/17/2012
Total PV Solar Power COMPLETED	1,570.19		As of 12/17/2012

PHASE 1 & 2: Solar Power Project PV Systems UNDER CONSTRUCTION Pursuant to MOU

Project Name and Location	Estimated Wattage (kilowatts)	Developer Name	*Estimated Date of Completion
Berth 200 Rail Yard Maintenance Building	63.00	POLA/Dynalectric	03/31/2015
Rear Berths 136-139 Administration Building	7.20	POLA/Neubauer Electric	06/30/2015
Berths 68-69 Warehouse No. 1	250	LADWP	06/30/2016
Total PV Solar Power UNDER CONSTRUCTION	320.20		By 06/30/2016

*Certain tasks for achieving these dates are beyond the control of the City of Los Angeles Harbor Department.

PHASE 3: Solar Power Project PV Systems PROPOSED Pursuant to LADWP FIT Set Pricing Program Tier Level 3							
Project Name and Location	Wattage (kilowatts)	LADWP FIT Application Date	LADWP Interconnection Study	Developer Selection Date (Estimated)	*Developer Operating Agreement Approved by POLA Board and City Council (Estimated)	*Execution of LADWP Power Purchase Agreement (PPA) (Estimated)	*Estimated Date of Completion (Within 2 Years of PPA Execution Date)
Berths 54-55 Cargo Shed	1,601	03/21/2014	Completed	Completed	09/2015	03/2016	03/2018
Berth 153 Cargo Shed	727	03/21/2014	Underway	Completed	09/2015	03/2016	03/2018
Berth 161 C&M Employees Parking Lot	512	03/21/2014	Underway	Completed	09/2015	03/2016	03/2018
West Shore of Pier 400 Transportation Corridor - North	879	03/21/2014	Underway	Completed	09/2015	03/2016	03/2018
Pier 400 F Face Embankment	1,467	03/21/2014	Completed	Completed	09/2015	03/2016	03/2018
Parking Lot at Liberty Hill Plaza	350	03/21/2014	Underway	Completed	09/2015	03/2016	03/2018
Berths 154-155 Cargo Sheds	1,179.1	03/21/2014	Underway	Completed	09/2015	03/2016	03/2018
Total PV Solar Power: TIER LEVEL 3	6,715.1						03/2018

*Certain tasks for achieving these dates are beyond the control of the City of Los Angeles Harbor Department.

PHASE 3 (Continued): Solar Power Project PV Systems PROPOSED Pursuant to LADWP FiT Set Pricing Program Tier Level 4

Project Name and Location	Wattage (kilowatts)	LADWP FiT Application Date	LADWP Interconnection Study	Developer Selection Date (Estimated)	*Developer Operating Agreement Approved by POLA Board and City Council (Estimated)	*Execution of LADWP Power Purchase Agreement (PPA) (Estimated)	*Estimated Date of Completion (Within 2 Years of PPA Execution Date)
Parking Lot at 22 nd Street Park	536	08/26/2014	Underway	Completed	09/2015	08/2016	08/2018
North Shore of Seaplane Lagoon	730	08/26/2014	Underway	Completed	09/2015	08/2016	08/2018
West Shore of Pier 400 Transportation Corridor - South	1,133	08/26/2014	Underway	Completed	09/2015	08/2016	08/2018
Parking Lot at 22 nd Street and Miner Street	1,112	08/26/2014	Underway	Completed	09/2015	08/2016	08/2018
Triangle North of Rail Loop	2,076	08/26/2014	Underway	Completed	09/2015	08/2016	08/2018
Total PV Solar Power: TIER LEVEL 4	5,587						08/2018
TOTAL PV SOLAR POWER	14,192.49						08/2018

*Certain tasks for achieving these dates are beyond the control of the City of Los Angeles Harbor Department.