



DATE: JUNE 15, 2017

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 the Board of Harbor Commissioners adopt a Resolution and approve the proposed renewal of the Standard Offer of Electric Service Agreement (Agreement). Alternative Maritime Power (AMP) systems allow ships to be powered by shore-supplied electrical power while at berth. To transfer power 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 expired January 9, 2017. The proposed Agreement will provide another three-year term for LADWP to continue allowing AMP connections and applying the AMP rate.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
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 a second three-year term;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and on behalf of the Board;

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4. Authorize the Executive Director or designee to on behalf of the Board to 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 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 was renewed on January 9, 2014. The proposed Agreement (Transmittal 1) renews the terms and conditions of the expiring agreement for a third three-year period beginning January 9, 2017.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the LADWP Standard Customer Offer for POLA's AMP Electric Service Agreement to allow LADWP to provide electrical power to the AMP connections and apply their published AMP rate. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under 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 fiscal year 2015/2016, the Harbor Department received \$8 million in AMP reimbursements from customers while paying LADWP \$8.5 million for such charges.

This Agreement indemnifies LADWP from and against any and all liability, costs, losses, claims, demands, actions and causes of action for all damages incurred by the use of the AMP system. Staff has mitigated risk of any damages by designing the AMP system with various layers of safety features.

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 also recovered at the cruise terminal.

CITY ATTORNEY:

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

TRANSMITTALS:

- 1. LADWP Standard Offer for Port of Los Angeles Alternative Maritime Power (AMP) Agreement - 2017

FIS Approval: MB (initials)

CA Approval: [Signature] (initials)

[Signature]

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

[Signature]

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

APPROVED:

[Signature]

EUGENE D. SEROKA
Executive Director