



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: AUGUST 27, 2014

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ SOLAR-POWERED CUSTOMER GENERATION INTERCONNECTION AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER FOR THE PHOTOVOLTAIC SOLAR POWER SYSTEM ON THE ROOF OF THE BERTH 200 RAIL YARD MAINTENANCE BUILDING

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) will be constructing a 63 kilowatt (kW) rooftop photovoltaic (PV) solar power system (PV System) at the Berth 200 Rail Yard Maintenance Building. With the installation of this PV System, the Harbor Department is considered a self-generating customer. As such, the Harbor Department is required to enter into a City of Los Angeles Department of Water and Power (LADWP) Solar-Powered Customer Generation Interconnection Agreement (Agreement).

The proposed Agreement will be in effect for three years from its effective date. By signing the Agreement, the Harbor Department agrees to be bound by the Agreement's terms and conditions.

RECOMMENDATION:

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

1. Approve the proposed three-year City of Los Angeles Department of Water and Power Solar-Powered Customer Generation Interconnection Agreement for the Berth 200 Rail Yard Maintenance Building rooftop photovoltaic solar power system;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the City of Los Angeles Department of Water and Power Solar-Powered Customer Generation Interconnection Agreement for and on behalf of the Board;
3. Adopt Resolution No. _____; and
4. Direct the Board Secretary to transmit four copies of Agreement to the City of Los Angeles Los Angeles Department of Water and Power Board of Commissioners for approval and request two executed copies be returned to the Harbor Department.

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DISCUSSION:

Background/Context – The Berth 200 Rail Yard project includes the construction of a maintenance building to support rail yard operations. In order to promote the offset of future greenhouse gas emissions from the purchase of electrical power produced by the burning of fossil fuels, lower electrical power costs for the rail yard's operator, and promote greater overall energy efficiency, a 63 kW PV System will be constructed on the roof of the maintenance building.

Interconnection to LADWP Power Distribution Network – The maintenance building's electrical system will include a unidirectional electrical meter for the PV System and a bi-directional electrical meter for the building. All the electricity generated by the PV System will flow into the building to meet its electrical demand and reduce the amount of power purchased from LADWP. On occasions when the building's electrical demand is higher than the solar power produced by the PV System, the shortfall will be supplied by LADWP. On occasions when the building's electrical demand is lower than the amount of solar power produced by the PV System, the excess solar power will be transmitted to LADWP for credit under net metering rules. Thus, the bi-directional meter will determine how much power was delivered by LADWP for the building and how much solar power was transmitted to LADWP for credit, resulting in a monthly net power bill to the rail yard operator.

Interconnection Agreement – In order for self-generating customers to interconnect with LADWP's power distribution network, a Solar-Powered Customer Generation Interconnection Agreement (Transmittal 1) must be executed between the Harbor Department and LADWP on a per project basis. The language in the Agreement has been standardized and preformatted. The Agreement binds the parties with rights and responsibilities regarding such topics as metering and billing for both generated and consumed power, ingress and egress of utility personnel, insurance, indemnification, and other contractual obligations as stipulated in the Agreement. LADWP also requires that PV Systems which will be connected to its power distribution network must meet certain standards. This guarantees that the power delivered to LADWP doesn't adversely affect their power distribution network.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Solar-Powered Customer Generation Interconnection Agreement with LADWP for a PV System that will be installed on the roof of the Berth 200 Rail Yard Maintenance Building. As an administrative activity related to the installation of new equipment involving negligible or no expansion of use

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as required for environmental control, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) and Article III Class 3 (4) of the Los Angeles CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

Approval of the Agreement will set the framework by which the Harbor Department will be credited for solar power delivered to the Berth 200 Rail Yard Maintenance Building and excess solar power delivered to LADWP by the building's rooftop PV System. On June 7, 2012, Resolution No. 12-7341 was approved by the Board to award the construction contract to construct the Berth 200 Rail Yard. The cost of the PV System is included in this contract. The PV System will be owned by the Harbor Department and operated and maintained by the rail yard's operator. The rail yard operator will realize the savings made possible by the PV System in the form of lower electrical bills.

In the event this Agreement is not approved, LADWP will not allow the PV System to be interconnected with their power distribution network. The Harbor Department will not realize the economic benefits of lower electrical bills for the rail yard operator and could have used the funds that constructed the PV System for other capital projects.

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CITY ATTORNEY:

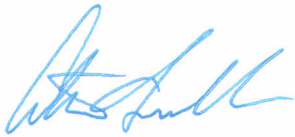
The Office of the City Attorney has reviewed and approved the LADWP Solar-Powered Customer Generation Interconnection Agreement as to form and legality.

TRANSMITTAL:

1. City of Los Angeles Harbor Department – LADWP Solar-Powered Customer Generation Interconnection Agreement

FIS Approval: WR (initials)

CA Approval: WR (initials)

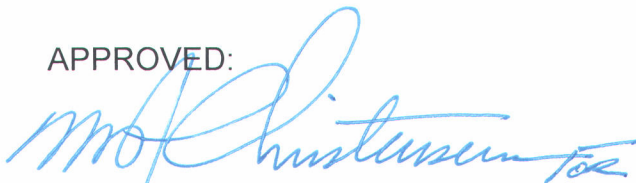


ANTONIO V. GIOIELLO
Chief Harbor Engineer



MICHAEL R. CHRISTENSEN, P. E.
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

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