



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JULY 17, 2018**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF THE ALTERNATE MARITIME POWER (AMP) 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 Alternative Maritime Power (AMP) Service Agreement (Agreement) to serve cruise ships with a maximum demand of not less than seven megawatts per month between the Los Angeles Department of Water and Power (LADWP) and the City of Los Angeles Harbor Department (Harbor Department). This Agreement will allow cruise ships to be powered by shore-supplied electrical power while at berth. To transfer power from the vessel generators to the utility supplied source, the Harbor Department is required to connect the ship in parallel to the utility lines. LADWP considers this arrangement as a customer-owned generator connection and requires the customer to enter into an Agreement addressing AMP construction, remote load interruption and electric billing. This Agreement commits the Harbor Department for a minimum monthly demand of seven megawatts load, and in return LADWP would apply the published cruise ship "AMP Rate B." The cost for "AMP Rate B" is lower than LADWP's standard commercial rate. The Agreement is valid for three years from its execution date after which it is required to be renewed every subsequent three years. The current Agreement is set to expire September 23, 2018. The proposed Agreement will provide another three-year term for LADWP to continue allowing AMP connections and applying the "AMP Rate B."

**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 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) Service

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Agreement (Agreement) allowing LADWP to service Cruise Ship AMP connections and to apply the published "AMP Rate B" for another three years term;

3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and on behalf of the Board;
4. Authorize the Executive Director or designee to act on behalf of the Board to sign and execute subject Agreement's future renewals and amendments, subject to City Attorney approval as to form and legality;
5. Authorize the Executive Director or designee to act as the authorized representative for the purpose of adding or removing generation connection facilities from the subject Agreement as required, subject to City Attorney approval as to form and legality; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – AMP is an electrical system that allows cruise and container 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, the Harbor Department is required to connect the ship in parallel to the utility lines. LADWP considers this arrangement as a customer-owned generator connection and requires the customer to enter into the Agreement. For the Cruise Ship AMP connections, the Harbor Department currently has AMP outlets located at Berths 91 and 93 where a total of two cruise ships can be connected simultaneously while at berth.

The proposed Agreement will approve the Harbor Department's Agreement with LADWP for Cruise Ship AMP connections known as "AMP Rate B." The current agreement identifies responsibilities relating to the construction, cost, and use of AMP infrastructure and in the development of the AMP program at the Port and expires on September 23, 2018. This Agreement also implements the published "AMP Rate B" for cruise AMP energy usage. The proposed Agreement (Transmittal 1) approves the terms and conditions of the expiring agreement for a new three-year period beginning September 23, 2018. Once approved by the Board, the Harbor Department will transmit the Agreement to LADWP's Rate Manager for further processing.

The cost for the "AMP Rate B" is lower than the LADWP's standard commercial rate. This Agreement requires the Harbor Department to guarantee a minimum monthly demand of seven megawatts load in exchange for receiving LADWP's "AMP Rate B."

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the LADWP Standard Customer Offer for the AMP Service Agreement to allow LADWP to provide electrical power to the AMP connections and apply their published "AMP B Rate." The Director of Environmental Management has previously 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.

**FINANCIAL IMPACT:**

The proposed Agreement ensures that the Harbor Department will continue to be billed at the published "AMP Rate B" which is generally lower than LADWP's Standard commercial rates and provides cost savings to AMP cruise ships. The amount of AMP Rate B savings realized by the Harbor Department relative to LADWP's Standard commercial rates fluctuates depending upon the amount of AMP electricity used in a given month as well as the time of the day in which AMP electricity is used on a given day.

Payment of AMP electricity expenses is the responsibility of the Harbor Department. However, the Harbor Department then invoices the cruise terminal operator or cruise ship owner, as appropriate, in order to be reimbursed for payment of these electricity expense on their behalf.

Cruise line AMP electricity costs are reimbursed through billings based on kilowatt hours consumed by cruise ships using AMP as well as AMP systems cost passenger fees resulting in the AMP electricity charges being 100% cost neutral to the Harbor Department. In fiscal year (FY) 2017, the monthly minimum usage requirement of seven megawatts translated into expenses of \$11,250 per month regardless of whether a cruise ship visited Berths 91 or 93 in a given month. However, based upon the aforementioned billings for reimbursement based on kilowatt hours and AMP systems cost passenger fees, the \$444,189 paid by the Harbor Department in FY 2017 to LADWP for AMP usage at Berths 91 and 93 was fully reimbursed. Funding for the \$11,250 monthly minimum AMP usage at Berths 91 and 93 has been approved as part of the annual budget adoption process in the FY 2018/2019 Operating Budget within the Harbor Operating Division No. 900, Account No. 59510 and Program No. 000.

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**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 - 2018

FIS Approval: MB

CA Approval: J

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

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

APPROVED:

 FOR  
EUGENE D. SEROKA  
Executive Director

DW:SAH:sc  
MGT 3-3 (AMP) b2

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