

DATE: APRIL 20, 2016

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 16-09) TO HECATE ENERGY LLC FOR CONSTRUCTION OF SOLAR CARPORTS AT THREE SITES

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 16-09 to Hecate Energy LLC DBA Hecate Energy Harborside LLC (Hecate) for the installation of parking lot carports and photovoltaic systems at three locations 1) 22nd Street Park, 2) Liberty Plaza, and 3) Berth 161 Construction & Maintenance yard.

On October 15, 2015, the Board approved the Operating Agreement between Hecate and the City of Los Angeles Harbor Department (Harbor Department). The Operating Agreement provides for each photovoltaic system to be in service for a term of 20 years on site locations that include warehouse roofs, parking lots, and under-utilized ground areas. On March 17, 2016, the Board approved Resolution No. 16-7913 for the first amendment to the Operating Agreement modifying the installation sites and removing the ground-mount sites. Installation of solar panels on existing buildings does not require a CDP as outlined in the Port Master plan; however new construction of parking canopies will require a Level II CDP. Therefore, CDP No. 16-09 covers only the three parking lot canopy photovoltaic systems.

The Harbor Department is not responsible for any construction or maintenance costs of the solar panels at the three carport locations.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is exempt from the requirements of CEQA under Public Resources Code Division 13, Section 21080.35 as determined by the Director of Environmental Management;
2. Hold a public hearing for the proposed Coastal Development Permit No. 16-09, a Level II non-appealable permit;

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3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan and find that this project will have no significant adverse environmental impacts as provided in the Notice of Exemption prepared pursuant to the California Environmental Quality Act;
4. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 16-09, consistent with the project description listed on Application for Port Permit No. 151005-118, and direct the Director of Planning and Strategy to issue said permit; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Harbor Department entered into an agreement with the State of California Department of Justice, Office of the Attorney General to install 10 megawatts (MW) of photovoltaic (PV) solar power within the Port of Los Angeles (Port) boundary as a general greenhouse gas reduction measure to replace electricity at the Port that would otherwise be provided by the Los Angeles Department of Water and Power electrical grid. On October 15, 2015, the Board approved the Operating Agreement between Hecate and the Harbor Department. The Operating Agreement provides for each PV System to be in service for a term of 20 years on site locations that include warehouse roofs, parking lots, and under-utilized ground areas. On March 17, 2016, the Board approved the first amendment to the Operating Agreement modifying the installation sites and removing the ground-mount sites. This amendment did not affect the three parking lot canopy sites identified in CDP 16-09.

Project Description – The proposed project involves the installation of 2.6 MW PV solar carports on three separate sites that include parking lots at the 22nd St Park, Liberty Plaza, and Berth 161 Construction & Maintenance yard (Transmittal 1). The solar carports will provide 50 to 100 percent shade coverage over the parking areas. The solar carport structures will be galvanized or painted steel with cross members and purlins to support installation of photovoltaic panels on top. The carport structures will provide at least 9 feet under-clearance and may be as high as 20 feet above ground. Site preparation work may involve removal of some on-site trees and paving over tree wells. Additionally, work could include removing light fixtures and demolition of their concrete pads as needed. Installation will include setting steel support structures that will be secured with deep caisson concrete or spread footing foundations or pile driven steel piers. Some trenching will occur to run electric collection lines between certain portions of the arrays and to the point of interconnect near existing power lines. Soil removed for the foundations and trenching will be tested and disposed according to Port soil removal standards.

Construction is expected to begin in June of 2016 and be complete by early 2017. The construction will be staged to minimize impacts on traffic and use of parking spaces including signage and appropriate traffic control measures. The sites will be remotely

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monitored and controlled. Periodic planned and unplanned maintenance will be conducted including: testing of inverters; inspections of the structures and cabling; and infrequent washing of the PV panels with de-ionized water. The Port is not responsible for any construction or maintenance costs.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the Port Master Plan (PMP). A Level II permit is required for projects that involve significant resources; cause major changes in land and/or water use and in the density or intensity of the use; have the potential of creating significant environmental impacts that can or cannot be mitigated; or are appealable. The proposed project is a Level II CDP because installation of solar panels has the potential of creating significant environmental impacts as outlined in Section 6.4.3 of the PMP (Transmittal 2).

Procedurally, a Level II non-appealable CDP requires a public hearing that is publicized at least fifteen calendar days prior to the scheduled date of the hearing. A public notice for the proposed development was published on April 20, 2016 (Transmittal 3).

The proposed project has been found to be consistent with the PMP and the Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended. The 22nd Street Park site is located in Planning Area 1 of the PMP, the Liberty Plaza site is located outside the Coastal Zone, and the Berth 161 Construction and Maintenance yard site is located in Planning Area 2. The proposed project would not change or alter the use of the existing operations, which are consistent with the land use designations outlined in the PMP.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Level II CDP for construction and operation of three parking canopy photovoltaic systems, which is an activity involving the installation of a solar energy system at existing parking lots. As such, 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 Public Resources Code Division 13, Section 21080.35.

FINANCIAL IMPACT:

Hecate is responsible for all costs associated with construction and maintenance of the solar panels at the three carport locations. Revenue to the Harbor Department was previously estimated to be \$141,090 annually for 10MW. The total estimated MW under the proposed solar carport project is approximately 2.6MW. The pro rata compensation associated with the 2.6MW is estimated at \$36,683 annually, which translates to \$599,820 total on a present value basis over the 20-year term of its lease.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board Report and determined that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 16-09
3. Public Notice

FIS Approval: _____(initials)
CA Approval: _____(initials)

MICHAEL KEENAN
Director of Planning and Strategy

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

EUGENE D. SEROKA
Executive Director

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APP No. 151005-118