

**DATE: JUNE 14, 2024**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR ALTERNATIVE MARITIME POWER (AMP) SERVICE TO MERCHANT SHIPS WITH MAXIMUM DEMAND NOT LESS THAN SEVEN MEGAWATTS PER MONTH (CRUISE SHIPS)**

**SUMMARY:**

Staff requests adoption of a Resolution and approval of a Memorandum of Understanding (MOU) between the Los Angeles Department of Water and Power (LADWP) and the City of Los Angeles Harbor Department (Harbor Department or LAHD) for Alternative Maritime Power (AMP) Service to merchant ships with a maximum demand of not less than seven megawatts per month (i.e. cruise ships). This MOU will allow cruise ships to be powered by shore-supplied electrical power while at berth, and commits the Harbor Department for a minimum monthly demand of seven megawatts load. In return, LADWP would apply the published cruise ship "AMP Rate B," which is lower than LADWP's standard commercial rate. This MOU is valid for three years from its effective date. The current Agreement is set to expire August 20, 2024.

**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 administratively 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 MOU between LADWP and LAHD for Standard Offer for AMP Service to merchant ships with maximum demand of not less than seven megawatts per month (i.e. cruise ships), allowing LADWP to service Cruise Ship AMP connections and to apply the published "AMP Rate B" for a three-year term;

**SUBJECT: ALTERNATE MARITIME POWER (AMP) SERVICE MOU**

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 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
5. 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.<sup>1</sup> 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 a MOU. 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 MOU between LADWP and the Harbor Department is a Standard Offer for AMP service to merchant ships with maximum demand of not less than seven megawatts per month (i.e. cruise ships) and will approve LADWP applying the published “AMP Rate B” for Cruise Ship AMP connections, which is lower than the LADWP’s standard commercial rate. The proposed MOU will replace an existing agreement that expires on August 20, 2024 and identifies responsibilities relating to the construction, cost, and use of AMP infrastructure and in the development of the AMP program at the Port. The proposed MOU continues the terms and conditions of the expiring agreement for a new three-year period beginning August 21, 2024. Once approved by the Board, the Harbor Department will transmit the MOU to LADWP’s Rate Manager for further processing.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a MOU between LADWP and the Harbor Department to set electricity rates, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

---

<sup>1</sup> The California Air Resources Board (CARB) 2020 At-Berth Regulation requires 100% of containerships and cruise vessels to use shore power while at berth, effective January 1, 2023.

**SUBJECT: ALTERNATE MARITIME POWER (AMP) SERVICE MOU**

**FINANCIAL IMPACT:**

The proposed MOU 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 expenses. Furthermore, the Harbor Department currently assesses a \$0.30 per passenger AMP System Cost fee under Tariff No. 4, Item 605, in order to recover monthly minimum electricity costs incurred under "AMP Rate B" during months of reduced passenger activity.

In calendar year 2023, the Harbor Department incurred \$3,179,309 in cruise AMP electricity expenses, and these cruise AMP electricity expenses were fully reimbursed through direct billings to the cruise terminal operator/cruise ship owner as well as imposition of the \$0.30 per passenger AMP System Cost fee. Staff will continue to monitor cost recovery activities related to cruise AMP electricity usage and will recommend any adjustments to the AMP System Cost fee as appropriate.

Fiscal Year 2024/25 funding for payment of electricity expenses related to AMP usage at Berths 91 and 93 is available within Center 900, Account 59510 (Electricity Expenses), Program 000.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the MOU as to form and legality.

DATE: JUNE 14, 2024

PAGE 4 OF 4

SUBJECT: ALTERNATE MARITIME POWER (AMP) SERVICE MOU

**TRANSMITTALS:**

1. MOU between LADWP and LAHD for Standard Offer for AMP Service to Merchant Ships with Maximum Demand of Not Less Than Seven Megawatts Per Month

FIS Approval: JS  
CA Approval: JC



JAMES C. BROWN, P.E.  
Chief Harbor Engineer



DINA ARYAN-ZAHLAN, P.E.  
Deputy Executive Director, Development

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

Author: D. Hoang

DH:lp  
MGT 3-3 AMPb4