



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the

Board of Harbor Commissioners

DATE: JANUARY 25, 2012

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED RENEWAL OF THE STANDARD CUSTOMER GENERATION MULTI-FACILITY INTERCONNECTION AGREEMENT BETWEEN THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER AND THE LOS ANGELES HARBOR DEPARTMENT

**SUMMARY:**

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, hence requiring the customer to enter a Standard Customer Generation Multi-Facility Interconnection Agreement. This agreement also allows the application of a special AMP rate and is valid for three (3) years from its execution date after which it is required to be renewed every subsequent three (3) years. The original agreement will expire March 6, 2012. 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. Approve the proposed LADWP Standard Customer Generation Multi-Facility Interconnection Agreement allowing LADWP to service AMP connections and to apply the published AMP rate for a second three-year term;
2. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement for and or behalf of the Board;
3. Authorize the Executive Director or designee to act as the authorized representative for the purpose of adding or removing generation facilities from the Standard Customer Generation Multi-Facility Interconnection Agreement as required; and
4. Adopt Resolution No. \_\_\_\_\_ .

**SUBJECT: RENEWAL OF STANDARD CUSTOMER GENERATION MULTI-FACILITY INTERCONNECTION AGREEMENT**

**DISCUSSION:**

Background – AMP is an electrical system that allows ships to be connected and powered by shore-supplied electrical power while at berth. As called for under the Clean Air Action Plan, the City of Los Angeles Harbor Department (Harbor Department) is undergoing an infrastructure improvement program to equip a number of container berths and cruise terminals with AMP infrastructure. 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, hence requiring the customer to enter a Standard Generation Interconnection Agreement.

On November 20, 2008, the Board authorized the Executive Director to sign a Standard Customer Generation Multi-Facility Interconnection Agreement between LADWP and the Harbor Department. This agreement (Transmittal 1) 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 of Los Angeles (Port). This agreement also implements the published AMP rates for any AMP user at the Port. The proposed agreement (Transmittal 2) renews the terms and conditions of the expiring agreement for another three (3) year period beginning March 6, 2010. LADWP is requiring the Harbor Department to execute this agreement in order that AMP rates can continue to be applied, as required by City Ordinance.

The term of the subject agreement is three years from the effective date of execution. The existing agreement will expire on March 6, 2012 which necessitates the approval of the proposed three-year agreement.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the LADWP Standard Customer Generation Multi-Facility Interconnection Agreement to allow LADWP to allow 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.

**ECONOMIC BENEFITS:**

Approval of the proposed agreement will have no employment impact.

SUBJECT: RENEWAL OF STANDARD CUSTOMER GENERATION MULTI-FACILITY INTERCONNECTION AGREEMENT

FINANCIAL IMPACT:

Renewal of the proposed Standard Customer Generation Multi-Facility Interconnection Agreement between the Harbor Department and LADWP will ensure that Port customers will continue to be billed at the published AMP rates. Port container terminals are billed directly by the LADWP for all electrical charges. Although AMP rates have no direct impact to the Harbor Department's finances, they are critical to our customers in order to remain competitive.

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.

CITY ATTORNEY:

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

TRANSMITTALS:

- 1. LADWP Standard Offer Agreement-2009
- 2. LADWP Standard Offer Agreement

FIS Approval: HR (initials)

CA Approval: TR (initials)

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APPROVED:

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Executive Director