



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MAY 19, 2026

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - ADOPTION OF FINDINGS OF FACT MADE BY THE CITY OF LOS ANGELES HARBOR DEPARTMENT AS RESPONSIBLE AGENCY, AND APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE HARBOR DEPARTMENT AND THE LOS ANGELES DEPARTMENT OF WATER & POWER FOR THE ZERO-EMISSION PORT ELECTRIFICATION AND OPERATIONS PROJECT

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) adopt the Findings of Fact and determinations detailed below under the California Environmental Quality Act (CEQA) as a Responsible Agency for the City of Los Angeles Harbor Department's (LAHD) implementation of the Zero-Emission (ZE) Port Electrification and Operations (ZEPEO) project under the terms of the proposed ZEPEO Memorandum of Understanding (MOU).

Staff also requests approval of a MOU between LAHD and the Los Angeles Department of Water & Power (LADWP) for ZEPEO project at Port of Los Angeles (POLA). The MOU establishes the roles and responsibilities for adding an additional 213 MVA of Medium Voltage Power at 34.5kV by 2030, and an additional 306 MVA by 2035 to existing electrical capacity to meet the San Pedro Bay Clean Air Action Plan (CAAP) goal of converting all Cargo Handling Equipment (CHE) to ZE by 2030. The MOU shall have an expected term of ten (10) years. LAHD will be financially responsible for costs associated with the ZEPEO project.

Staff anticipates LADWP Board will consider approving MOU on July 14, 2026 (after LAHD Board approves MOU).

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Final Initial Study/Mitigated Negative Declaration (IS/MND) adopted by the Los Angeles Department of Water & Power on March 24, 2026 for the Zero-Emission Port Electrification and Operations project (State Clearinghouse No. 2025120795), (a) has been reviewed and considered by the Board prior to approving the MOU; and (b) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department as a Responsible Agency under the California Environmental Quality Act;
2. Find that based on the whole record before it, the Harbor Department concurs with the Los Angeles Department of Water & Power's determination that the ZEPEO project, with mitigation incorporated, would not have a significant effect on the environment pursuant to Public Resources Code Section 21080 and State California Environmental Quality Guidelines Section 15070;

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3. Find that there have been no substantial changes to the ZEPEO project, no substantial changes to the circumstances surrounding the ZEPEO project, and no new information of substantial importance which would require major revisions of the IS/MND or require the need for subsequent or supplemental environmental review under CEQA Guidelines Section 15162;
4. Adopt the Findings of Fact made by the Harbor Department as a Responsible Agency;
5. Adopt the mitigation measures contained in the Final IS/MND for the ZEPEO project which have been incorporated into the Mitigation Monitoring and Reporting Plan;
6. Approve the proposed MOU between LAHD and LADWP for the ZEPEO project for an expected term of ten (10) years;
7. Authorize the Executive Director to execute and the Board Secretary to attest to said MOU for and on behalf of the Board;
8. Authorize the Environmental Management Division to file the Notice of Determination with the Los Angeles County Clerk and the State Clearinghouse; and
9. Adopt Resolution No. _____.

DISCUSSION:

Background - The San Pedro Bay Clean Air Action Plan (CAAP) has a goal to transition all Container-Handling Equipment (CHE) to Zero Emission (ZE) by 2030.

To understand the electrical grid impacts of the 2017 San Pedro Bay CAAP Goal to convert 100 percent of CHE to ZE by 2030, LAHD partnered with LADWP and Electric Power Research Institute (EPRI) to conduct an electrical grid study in 2023 entitled, "Zero-Emission Planning and Grid Assessment for the Port of Los Angeles." This study assessed the current electrification efforts of the six Port Marine Terminal Operators (MTO), identified cost-effective CHE electrification opportunities, and evaluated future CHE electrification scenarios, including potential use of hydrogen fuel cell equipment and use of managed battery charging. The study found that:

1. New CHE charging loads significantly increase the power demand on the existing Port area electrical distribution system and will require significant upgrades;
2. New ZE CHE loads have the potential to increase electrical distribution loading by as high as 277MW with unmanaged battery charging, and as low as 128MW with managed battery charging;
3. A new Receiving Station (RS) and significant 34.5kV circuit-level upgrades would be required if unmanaged charging is deployed by MTOs.

Throughout 2024 and 2025, LADWP and LAHD staff met with each MTO to confirm their ZE CHE plans and developed the ZEPEO project – a \$715 million expansion of LADWP’s electrical grid that feeds POLA whereby LADWP supplies an additional 213 MVA of Medium Voltage Power at 34.5kV by 2030, and an additional 306 MVA by 2035 for our MTOs and our new Outer Harbor Cruise Terminal. The \$715 million ZEPEO project cost includes \$107.6 million of improvements that will be paid by LADWP, and \$607.4 million of improvements that will be paid by LAHD. The

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additional power will provide enough capacity to charge battery electric CHE at all POLA's MTOs, meet our 100 percent ZE CHE CAAP goal, and provide power to Outer Harbor Cruise Terminal.

In October 2024, LAHD, in partnership with MTOs, was awarded an Environmental Protection Agency (EPA) Clean Ports Program (CPP) grant of approximately \$412 million to fund the deployment of Zero-Emission equipment and related infrastructure at the following five marine terminals: A.P. Moller-Maersk Terminals (APMT), Everport Terminal Services (Everport), TraPac, Inc. (TraPac), Fenix Marine Services (FMS), and Yusen Terminals, Inc. (YTI). EPA CPP grant requires all CPP equipment to be operational by December 31, 2028. Some of ZEPEO's electrical grid improvements are required to operate the CPP funded ZE CHE. Therefore, the CPP grant funded projects must work together with ZEPEO to meet the December 31, 2028 CPP grant deadline.

In late 2024 through early 2026, LADWP conducted technical studies as the Lead Agency per the California Environmental Quality Act (CEQA) resulting in a Final Initial Study (IS)/Mitigated Negative Declaration (MND) that the LADWP Board adopted on March 24, 2026, including a Mitigation and Monitoring Report Plan (MMRP). As the Responsible Agency under CEQA, LAHD must make certain findings and determinations pursuant to CEQA to implement the ZEPEO project under the terms of the MOU. Staff requests the Board adopt the Findings of Fact and determinations detailed in the Environmental Assessment Section as required of Responsible Agency per CEQA. Staff also requests Board adopt the mitigation measures contained in the Final IS/MND for ZEPEO project, including the MMRP.

LAHD and LADWP have agreed to deliver the ZEPEO project to meet the power demands detailed above. The project will be executed in three phases to meet the 2028 EPA CPP grant deadline, the 2030 San Pedro Bay CAAP goal of electrifying all CHE, and provide power to the Outer Harbor by 2035. The project will also improve grid reliability and increase resilience by converting overhead power lines to 34.5kV underground distribution pathways/circuits and utilizing Switching Stations to distribute power.

Material Terms of MOU

MOU Scope - The ZEPEO project will expand POLA's electrical grid to support ZE cargo handling operations at MTOs and the Outer Harbor Cruise Terminal and supply an additional 213 MVA of Medium Voltage Power at 34.5kV by 2030, and an additional 306 MVA by 2035.

To create the additional electrical grid capacity and improve power reliability at POLA, ZEPEO will expand two Receiving Stations (RS-C and RS-Q), construct three new Switching Stations (Reeves, Basin, and Cabrillo), construct 7.9-miles of 34.5kV Underground Distribution Pathways from RS-Q to Terminal island, Wilmington, and San Pedro, and construct 6.5-miles of 34.5kV Underground Distribution Pathways from RS-Q to Outer Harbor Cruise Terminal.

MOU Term - The MOU has a term of ten (10) years, and LAHD and LADWP have the right to terminate MOU upon mutual written agreement or with a one-year written notice by Executive Director of LAHD or General Manager for LADWP.

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MOU Schedule - LAHD and LADWP agree to deliver ZEPEO project per the following timeline:

- **Phase I** - Underground Distribution lines (34.5kV) from RS-Q to Terminal Island by December 31, 2028 to meet EPA CPP grant.
- **Phase II** - Provide an additional 213 MVA of electrical capacity to POLA and POLA MTO by December 2030, including 114 MVA for Terminal Island, and 99 MVA for West Basin.
- **Phase III** - Provide POLA and POLA MTO with an additional 306 MVA of electrical capacity by December 2035, including 146 MVA for Terminal Island and 160 MVA for Outer Harbor Cruise Terminal.

Design & Construction Responsibilities - To meet the ZEPEO schedule, LAHD and LADWP have agreed to collaborate and share design and construction responsibilities where LAHD agrees to design and construct several of the LADWP electric grid improvements for ZEPEO as follows:

ZEPEO Project Element	LAHD Responsibilities:	LADWP Responsibilities:
Permitting		Secure all necessary environmental clearances for ZEPEO project, including compliance with CEQA LABOE Utility (U) Permits
Receiving Stations		Expand RS-C and RS-Q Construct 34.5kV Distribution Pathway between RS-C and RS-Q
Switching Stations	Design & Construct Core & Shell for three Switching Stations (Reeves, Basin, and Cabrillo), including anchorage and foundations	Electrically equip three Switching Stations (Reeves, Basin, and Cabrillo).
34.5kV Power Distribution Pathways	Construct 34.5kV Underground Distribution Pathways from RS-Q to Terminal Island, RS-Q to West Basin, and RS-Q to Outer Harbor Cruise Terminal per LADWP designs	Design all 34.5kV Distribution Pathways. Install all 34.5kV Underground Distribution conduit intercepts, 34.5kV cables and splices

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Right of Way Requirements - LAHD agrees to fulfill the following Right of Way (ROW) requirements:

1. Complete all land requirements, site remediation, and pipeline relocation necessary to allow expansion at RS-Q (Parcel "Y") by March 2027;
2. Grant LADWP rights of entry and easements to operate three Switching Stations at Terminal Island (Reeves), West Basin (Basin), and Outer Harbor (Cabrillo).

Financial Provisions:

LAHD and LADWP have agreed to be financially responsible for ZEPEO project as follows:

LAHD Financial Responsible for:	LADWP Financial Responsible for:
Design & Construct three Switching Stations (Reeves, Basin, and Cabrillo)	Expand RS-C and RS-Q
Design & Construct 34.5kV Underground Distribution Pathways from RS-Q to Terminal Island, RS-Q to West Basin, and RS-Q to Outer Harbor Cruise Terminal	Design & Construct 34.5kV Distribution Pathway between RS-C and RS-Q
Install all 34.5kV Underground Distribution conduit intercepts, 34.5kV cables and splices	
Program management, design, inspection, temporary service, security, and permit costs	
Total LAHD Cost: \$607.4 million	Total LADWP Cost: \$107.6 million
Total ZEPEO Cost (LAHD + LADWP): \$715 million	

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an MOU for the ZEPEO project, which was analyzed in the Final IS/MND adopted by the LADWP as the CEQA Lead Agency, on March 24, 2026 (State Clearinghouse No. 2025120795) as provided in Transmittal 2.

As a Responsible Agency under CEQA, the Harbor Department must make certain findings and determinations pursuant to CEQA in implementing the ZEPEO project under the terms of the MOU. Based on the Findings of Fact pursuant to Public Resources Code Section 21081 and Title 14 California Code of Regulations Section 15091, as provided in Transmittal 3, the ZEPEO project, after mitigation, would not result in any significant adverse environmental impacts.

Mitigation measures for Air Quality; Cultural Resources; Geology and Soils; Hazards and Hazardous Materials; Noise; and Tribal Cultural Resources have been incorporated into the Final IS/MND pursuant to Public Resources Code Section 21081 and Title 14 California Code of Regulations Section 15097 to reduce the significant environmental effects of the ZEPEO project.

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Under the terms of the MOU, the Harbor Department will be the responsible party for implementing the mitigation measures contained in the Mitigation Monitoring and Reporting Plan as provided in Transmittal 3.

FINANCIAL IMPACT:

Approval of the proposed MOU will establish the Parties' roles and responsibilities for supplying Medium Voltage Power at 34.5kV to POLA for POLA's ZEPEO project.

LAHD is financially responsible for costs associated with the ZEPEO project which are currently estimated at \$607.4 million. Fiscal Year 2025/2026 funding in the amount of \$603,620 is available within Account 161305 (Construction in Progress), Division 00000 (Global Harbor), Project 2574200 (Electrical Infrastructure Improvement Program). Future fiscal year funding will be requested as part of the annual budget adoption process, subject to Board approval.

CITY ATTORNEY:

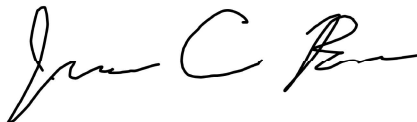
The Office of the City Attorney has reviewed and approved the MOU as to form and legality.

TRANSMITTALS:

1. MOU between LAHD and LADWP for ZEPEO project at POLA.
2. Initial Study/Mitigated Negative Declaration (IS/MND) for ZEPEO project prepared by LADWP.
3. Findings of Fact and Mitigation Monitoring and Reporting Plan

FIS Approval: JS

CA Approval: JK



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



[Erica Calhoun \(May 20, 2026 09:07:36 PDT\)](#)

DINA ARYAN-ZAHLAN, P.E.
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APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director