

**ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT** relative to a Harbor Department (Port) agreement with Hecate Energy Harborside LLC, for the financing, development, construction, installation, operation, management, and maintenance of photovoltaic solar systems at the Port of Los Angeles.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 17-8179 authorizing the proposed Fourth Amendment to Operating Agreement No. 15-3354 with Hecate Energy Harborside LLC, for the financing, development, construction, installation, operation, management, and maintenance of photovoltaic solar systems at twelve sites at the Port of Los Angeles, and to deliver the power from these sites to the Los Angeles Department of Water and Power (LADWP).

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed Fourth Amendment to the agreement with Hecate and True Green will have no effect on compensation to the Port. This action changes the start date of commercial operations and the amended actions listed in the Port report. Each solar power system will be in operation for 20 years, beginning on the operational date of each site location. The Port will be paid approximately \$146,090 per year and a total of \$2,931,800 for 10 megawatts from the sale of the electricity to the LADWP over the 20-year term of the agreement. Revenue will be deposited into the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - JANUARY 2, 2018**

**(LAST DAY FOR COUNCIL ACTION – DECEMBER 13, 2017)**

**SUMMARY**

In a report to the Mayor dated November 21, 2017, the CAO states that the Port requests authority to approve the Fourth Amendment to the agreement with Hecate Energy. According to the CAO, a photovoltaic solar system is a method of converting solar energy into direct current electricity and employs solar panels composed of a number of solar cells to supply usable solar power. The photovoltaic solar systems will generate approximately 10 megawatts of electricity for sale to the LADWP to fulfill a commitment to generate clean renewable energy within the Port of Los Angeles.

The CAO goes on to state that the proposed Fourth Amendment consists of a request by Hecate to modify the agreement in order to account for certain planning development and finance challenges. The amendment will extend the agreement and modify milestones for Hecate to achieve commercial operations required for the photovoltaic solar systems, and to transact the sale of energy to LADWP by June 2017. The Port anticipates that the pre-commercial

operations, which includes construction of the photovoltaic solar system, will be completed by December 31, 2017. On October 19, 2017, the Board of Harbor Commissioners approved the Port's request. The CAO concurs with this action.

At its meeting held December 5, 2017, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed amendment of the Port's agreement with Hecate Energy, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	YES
KREKORIAN:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**