

DRAFT**RESOLUTION 20xx-xxx**

RESOLUTION AUTHORIZING ACCEPTANCE OF GRANT FUNDS IN THE AMOUNT OF \$4,985,272 FROM THE CALIFORNIA ENERGY COMMISSION (CEC) TO PARTIALLY FUND THE PORT OF SAN DIEGO – RESILIENCY IN TERMINAL OPERATIONS PROJECT LOCATED AT TENTH AVENUE MARINE TERMINAL (TAMT) TO DEMONSTRATE BUSINESS CASE FOR ADVANCED MICROGRIDS IN SUPPORT OF CALIFORNIA’S ENERGY AND GREENHOUSE GAS POLICIES PROGRAM; AUTHORIZING STAFF TO ENTER INTO A GRANT AGREEMENT WITH CEC WHICH INCLUDES INDEMNITY PROVISIONS; AND ALLOCATING MATCH IN THE AMOUNT OF \$4,427,973; DISTRICT MATCH FUNDS INCLUDE PLANNED MAJOR MAINTENANCE, EQUIPMENT OUTLAY AND STAFF COSTS; FUNDS REQUIRED FOR FUTURE YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD OF PORT COMMISSIONERS APPROVAL UPON ADOPTION OF EACH ANNUAL BUDGET

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, grant funded projects and supplies, materials, and equipment purchases; and

WHEREAS, in November 2017, the District submitted an application for the California Energy Commission’s (CEC) grant-funded Business Case Demonstration for Advanced Microgrids program which aims to advance California’s energy and greenhouse gas (GHG) policies in electrification, resiliency, technological advancement and replicability; and

WHEREAS, the District’s project will develop a new, permanent, renewable microgrid at the Tenth Avenue Marine Terminal (TAMT); and

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WHEREAS, the project will incorporate renewable energy generation with solar photovoltaic (PV) panels, battery energy storage, efficiency improvements, and a centralized microgrid controller; and

WHEREAS, the District was notified on February 20, 2018, that its application to the CEC was recommended for funding in the amount of \$4,985,272, to partially fund the installation of a microgrid at TAMT with a total anticipated cost of \$9,615,208; and

WHEREAS, the District's proposal included a match comprised of budgeted expenses, staff time, and a contribution from project partner University of California San Diego (UCSD); and

WHEREAS, if approved by the BPC, the District's portion of the match funding would come from expenses related to a warehouse roof replacement, staff labor, energy efficiency retrofits, equipment costs, and a power purchase agreement for solar PV energy over the duration of the grant agreement; and

WHEREAS, the power purchase agreement for solar PV energy combined with battery storage and energy efficiency improvements will reduce energy expenses that the District incurs as an operational expense and is expected to save approximately 60% annually over current utility expenses; and

WHEREAS, additional project benefits include additional cost savings through demand response and peak shaving of District energy loads resulting in reduced electric utility expenses, and increased energy security and resiliency; and

WHEREAS, the Renewable Microgrid implements a mitigation requirement identified in the TAMT Final EIR; and

WHEREAS, the installation of a Renewable Microgrid at TAMT is estimated to result in a reduction of 361 MTCO₂e annually, which would fulfill approximately 2% of the TAMT's Redevelopment Plan's Final EIR requirement for the 2035 buildout year; and

WHEREAS, prior to accepting the grant agreement, in April 2018 the BPC approved the second addendum to the Final Environmental Impact Report (EIR) for the TAMT Redevelopment Plan; and

WHEREAS, the CEC Commissioners adopted the CEC staff's funding recommendation at the Commission's May 9, 2018 business meeting; and

WHEREAS, District staff has been working closely with CEC staff to finalize the project scope of work and the terms and conditions of the proposed grant agreement; and

WHEREAS, the scope of work and proposed grant agreement are attached to the associated agenda sheet; and

WHEREAS, District staff recommends the BPC authorize acceptance of the CEC grant funding; authorize staff to enter into an agreement with the CEC which includes indemnity provisions; and allocate matching funds in the amount of \$4,427,973.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District as follows:

That the Executive Director or her designated representative is hereby authorized to accept grant funds in the amount of \$4,985,272 from the California Energy Commission (CEC); to enter into a grant agreement with the CEC which includes indemnity provisions; and, for the District to allocate matching funds in the amount of \$4,427,973.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Senior/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of June, 2018, by the following vote: