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ADMINISTRATIVE EXEMPTION and COMMUNICATION FROM CHAIR, INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE relative to the third amendment to the agreement with Hecate Energy Harborside, LLC (Hecate) to extend a deadline and to provide additional insurance and indemnification.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAHD Resolution No. 17-8043 authorizing the third amendment to Agreement No. 17-3354-C with Hecate to extend the deadline for which Hecate must install certain Fit50 classified photovoltaic solar power systems and for Hecate to provide additional insurance and indemnification.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed third amendment with Hecate will have no effect on compensation to the LAHD from the original agreement. This action only changes the start date of the commercial operations and the amended actions listed in the LAHD report. Hecate will pay to the LAHD approximately 7.02 percent of its gross annual revenue from sale of the electricity to the Los Angeles Department of Water and Power, which includes approximately \$146,090 per year and \$2,921,800 over the 20-year term of the agreement. Each solar power system will be in operation for 20 years, beginning on each site's commercial operation date. Revenue will be deposited into the Harbor Revenue Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - APRIL 30, 2017**

**(LAST DAY FOR COUNCIL ACTION - APRIL 28, 2017)**

SUMMARY

At a meeting held on March 7, 2017, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAWA transmittal relative to the request for approval of LAHD Resolution No. 17-8043 authorizing a proposed third amendment to Operating Agreement No. 15-3354 with Hecate. The CAO reports that in 2015, the Mayor, Council and Board of Harbor Commissioners approved a 20-year agreement to develop, construct, install, manage, maintain and operate photovoltaic solar power systems at various site locations within the Port of Los Angeles (Council file No. 15-1480). A photovoltaic 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. An opportunity for public comment was held. After a brief discussion, the Committee Chair and member moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to read "Ed Blumenthal". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**