

3/8/18
ITEM 6.1
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**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

**ORDINANCE AMENDING PORT ORDINANCE 3439 RELATING TO SHORE
POWER RATES FOR PROVISION OF POWER PROVIDED TO VESSELS
BERTHING AT THE PORT OF OAKLAND**

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.1, dated March 8, 2018 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, the Board adopted Port Ordinance No. 3439, as amended, to establish rates and charges for certain utilities provided by the Port within three areas, which include the Metropolitan Oakland International Airport ("Airport"), the Oakland Army Base and the former Fleet Industrial Supply Center (FISCO). In summary, as the result of these ordinances, and it was and is the intention of the Board, that rates and charges for electrical power provided by the Port at the Airport are governed by Section 4 of Port Ordinance No. 3439, as amended, rates and charges for electrical power, natural gas, water and sewer services provided by the Port at the Oakland Army Base are governed by Section 3 of Port Ordinance No. 3439, as amended and rates and charges for electrical power provided by the Port at FISCO are governed by Section 5 of Port Ordinance No. 3439, as amended, and

WHEREAS, On April 11, 2013, the Board adopted Ordinance 4225, setting forth rates and charges for the Tenant's use of the shore power system for the provision of power provided to vessels berthing at the Port of Oakland; and

WHEREAS, Section 5 of Port Ordinance 3439, as amended, titled Applicability for Electric Rates Schedule "D" provides the following relevant definition; and therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. Section 8 to Port Ordinance No. 3439, as amended, is hereby amended and restated as follows:

"Section 8: Vessel Commissioning.

Applicability: The following information, rates and charges shall apply to the first vessel call of all shore power ready vessels of each side, Port and Starboard and billed to a customer at one of the Port's marine

terminals at which the vessel berths. If a vessel fails the commissioning process, this rate and charge shall apply to every vessel visit until the vessel has been added to the managed online list of approved Shore Power vessels.

This rate and charge may also apply to a vessel call of a vessel whom has been added to the managed online list of approved Shore Power vessels but whose on-board shore power system has been modified since being added to the managed online list of approved Shore Power vessels. If a ship fails the commissioning process, this rate and charge shall apply to every vessel visit until the vessel is placed on the managed online list of approved Shore Power vessels.

Service Area: All service areas served by the Port's Davis and Cuthbertson substations.

Rates:

Vessel Commissioning Charge: \$3,600
(flat rate billed per vessel call)

Billing: For all customers taking service under this rate schedule, the balance of monies owed to the Port shall be paid in accordance with the Port's normal billing cycle.

Operations: In order to be placed on a managed online list of approved Shore Power vessels, a customer seeking power provided to the vessel under this Section shall complete the following actions:

1) Prior to the initial connection of any vessel to the Port-provided power, the customer shall coordinate with its shipping line customers to determine whether the shore power-related equipment on-board any vessel and the vessel's control system and protection scheme comply with: (1) Standard IEC/ISO/IEEE 80005-1:2012 Utility Connections in Port: High Voltage Shore Connection (HVSC) Systems - General Requirements, (2) Pacific Gas & Electric Rule 21 and (3) Generating Facility Interconnection Agreement between the Pacific Gas and Electric Company ("PG&E") and the Port (the "Interconnection Agreement")

2) The customer shall coordinate with its shipping line customers to provide all documents to the Port and/or PG&E, including without limitation, the settings of protective devices associated with the on-board shore power-related equipment, one-line and three-line diagrams of such equipment, specifications on grounding equipment and emergency stop control system, contact information for ship engineers, and any other documentation requested by the Port to establish a safe and effective initial vessel connection.

3) The customer shall coordinate with its shipping line customers and the Port and/or PG&E to schedule the vessel commissioning.

4) The Port may board the vessel to verify, inspect and test, without limitation, the settings of protective devices associated with the on-board shore power-related equipment, grounding equipment, and emergency stop control system.

5) Upon completion of vessel commissioning, the Port shall place the vessel on a managed online list of approved Shore Power vessels."

Section 2. Section 9 to Port Ordinance No. 3439, as amended, is hereby amended and restated as follows:

"Section 9: Provision of Power to Vessels.

Applicability: The following information, rates and charges shall apply to the Port Department's provision of shore power to all vessels receiving shore power at any time, including during the vessel commissioning process, and billed to a customer at one of the Port's marine terminals at which the vessel berths.

Service Area: All service areas served by the Port's Davis and Cuthbertson substations.

Rates:

Hourly Customer Charge: \$267
(to be billed for every hour rounded up to full hour of provision of power to vessel and plus all applicable taxes)

Hourly Customer Maintenance Charge: \$31
(to be billed for every hour rounded up to full hour of provision of power to vessel and plus all applicable taxes)

Billing: For all customers taking service under this rate schedule, the balance of monies owed to the Port shall be paid in accordance with the Port's normal billing cycle.

Operations: Each customer that provides power to vessels at berth is responsible for ensuring that such power is provided in a manner that promotes safety and substantially complies with all applicable laws, regulations, standards and other applicable agreements, including, but not limited to, the applicable Interconnection Agreement, and the Standard IEC/ISO/IEEE 80005-1:2012 Utility Connections in Port - Part 1: High Voltage Shore Connection (HVSC) Systems - General Requirements."

Section 3. The Board of Port Commissioners hereby finds and determines that:

(a) The establishment, imposition, modification, structuring, restructuring, or approval of rates pursuant to the foregoing sections of this ordinance are for the purpose of (A) meeting operating expenses, including employee wage rates and fringe benefits, (B) purchasing or leasing supplies, equipment, or materials, (C) meeting financial reserve needs and requirements, (D) obtaining funds for capital projects necessary to maintain service within existing service areas, or (E) obtaining funds necessary to maintain those intra-city transfers as are authorized by the City Charter;

(b) The proposed amendments to the Port Electric Utility Ordinance (Ordinance 3439) were reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the

Port CEQA Guidelines. The proposed amendments are statutorily exempt from CEQA under Section 15273(a) of the CEQA Guidelines because CEQA does not apply to the modification or approval of rates and other charges by public agencies that the public agency finds are for the purpose of meeting operating expenses or for funding capital projects necessary to maintain service within existing service areas. The proposed rate increase is for those funding purposes, so therefore meets the criteria for this exemption.

Section 4. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received;

DRAFT

President.

Attest: _____
Secretary.

Approved as to form and legality:

Port Attorney