

**APPROVED**  
**JUN 05 2013**

REPORT OF GENERAL MANAGER

NO. 13-129

DATE May 13, 2013

**BOARD OF RECREATION  
& PARK COMMISSIONERS**

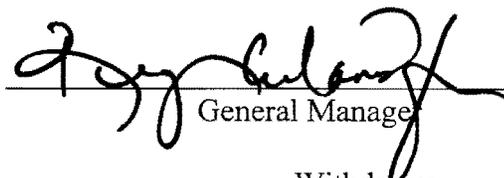
C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: KEN MALLOY HARBOR REGIONAL PARK – HARBOR REGIONAL PARK FEED-IN TARIFF SOLAR (PRJ20747) PROJECT – AUTHORIZATION TO PARTICIPATE IN LOS ANGELES DEPARTMENT OF WATER AND POWER FEED-IN TARIFF SET PRICING PROGRAM; APPROVAL OF CONCEPTUAL PLANS

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
V. Israel \_\_\_\_\_

K. Regan \_\_\_\_\_  
\*M. Shull mf  
N. Williams \_\_\_\_\_

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Authorize the Department of Recreation and Parks (RAP) to participate in the Los Angeles Department of Water and Power (LADWP) Feed-in Tariff (FiT) Set Pricing Program;
2. Approve the Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project, as described in the Summary of this Report;
3. Designate the General Manager, or Executive Officer, or Assistant General Manager, as the agent to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project, subject to the approval of the City Attorney as to form;
4. Authorize the Department's Chief Accounting Employee to establish the necessary account in 302/89 entitled "LADWP Feed in Tariff (FiT) Set Pricing Program" and sub-accounts TBD for revenue generated and expenses under the account for Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project and to appropriate funds to the newly established sub-account for revenue;

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5. Authorize the Department’s Chief Accounting Employee to transfer and appropriate funds to the newly established sub-account for expenses TBD in 302/89 entitled “LADWP Feed in Tariff (FiT) Set Pricing Program” as follows:

From:

Funding Source	Account No.	Sub-Account	Amount
Capital Parks Development B	89270K	CG	\$475,000.00
Deferred Maintenance	89704H	DM	<u>\$113,532.12</u>
			\$588,532.12

To:

Funding Source	Account No.	Sub-Account	Amount
LADWP Feed in Tariff (FiT) Set Pricing Program	89TBD	TBD	\$588,532.12

6. Authorize the Department’s Chief Accounting Employee to make technical corrections as necessary to the transactions included in this Report.

SUMMARY:

Ken Malloy Harbor Regional Park is located at 25820 Vermont Avenue in the Harbor City community of the City. This 290.87 acre park includes picnic areas, sports fields, hiking trails, and a recreational lake. The Harbor Sports Complex, which is located in the northeast quadrant of the park, adjacent to the Harbor Park Golf Course, includes multipurpose fields, a play area, a seasonal swimming pool, and a large parking lot.

The Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project proposes to install a one hundred (100) kilowatt (kW) direct current fixed ground mount solar array in an approximately 29,800 square foot portion of the parking lot at the Harbor Sports Complex. A site plan showing the location of the proposed project is attached as Exhibit A.

LADWP Feed-in Tariff (FiT) Set Pricing Program

Approved in January 2013 by the LADWP, Board of Water and Power Commissioners, the LADWP Feed-in Tariff (FiT) Set Pricing Program allows customers, solar companies, and other third parties to develop solar or other eligible renewable energy projects and sell their power to

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LADWP at a set price for distribution on the City's power grid. LADWP is implementing the FiT Set Pricing Program to encourage renewable energy development within the Los Angeles Basin and to help meet the City's Renewable Portfolio Standard mandate of reaching thirty-three percent (33%) renewable energy by 2020.

The FiT Set Pricing Program allows the LADWP to partner with program participants to purchase, under a standard twenty (20) year power purchase contract, energy generated from a participant's renewable energy generating system. These renewable energy generating systems are required to be located within LADWP's service territory and interconnected to the LADWP electrical distribution system. All the energy generated by these renewable energy generating systems will be purchased by LADWP at a fixed base price of energy (BPE), subject to time-of-delivery multipliers, for a term of up to twenty (20) years.

LADWP seeks up to one hundred (100) megawatts (MW) of renewable energy for the FiT Set Pricing Program. The LADWP one hundred (100) MW FiT Set Pricing Program will be distributed in five (5) semi-annual allocations of twenty (20) MW each. The BPE for each allocation will be on a declining price tier system. The BPE for the first twenty (20) MW allocation tier will be available at \$0.17 per kilowatt-hour (kWh) and the BPE for the four (4) subsequent twenty (20) MW allocation tiers will decline by \$0.01 per kWh per allocation tier.

Projects selected for the FiT Set Pricing Program must achieve commercial operation within eighteen (18) months.

### Harbor Regional Park FiT Solar Project

On February 1, 2013, LADWP began accepting applications for the first twenty (20) MW allocation of the FiT Set Pricing Program for renewable energy projects ranging in size from thirty (30) kW to three (3) MW. Projects were accepted on a first come, first served basis. As noted above, projects submitted for the first twenty (20) MW allocations would be eligible to receive \$0.17 per kWh generated; the highest potential payment tier.

In order to be eligible for the \$0.17 per kWh allocation tier, RAP staff submitted a proposal to install a one hundred (100) kW solar photovoltaic system in an underutilized portion of the existing parking lot at Harbor Sports Complex. LADWP has received the initial proposal and has completed a technical screening and an integration study in order to verify that the proposed project would not cause a negative impact to their distribution grid.

The Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project would install a one hundred (100) kilowatt kW direct current fixed ground mount solar array at the Harbor Sports Complex. The solar array would be located in an approximately 29,800 square foot portion of the existing parking lot, which is currently underutilized by the general

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public. The solar array would be fenced off and separated from the surrounding park uses and the rest of the parking lot. The project would use advanced technology equipment and systems components that will be specified to achieve the highest potential output. The solar panel technology proposed to be used for the project has a twenty-five (25) year performance guarantee and the project will be designed to have an effective operating life greater than twenty (20) years. The project will be designed to operate year-round; though operating performance will vary depending on weather conditions.

The estimated costs for the design, development, and construction of the project are approximately \$475,000.00.

Staff recommends that \$475,000.00 in Department Special Funds from Capital Park Development B be allocated for the Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project. Additionally, staff recommends that the Board authorize the transfer and allocation of any rebates or revenue received from the LADWP's Solar Incentive Program, or related solar rebate programs, for expenses related the Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project. The allocation of available LADWP solar rebate funds, currently at \$113,532.12, will help bring down the initial investment costs for the project.

Based on the amount of power anticipated to be generated by the Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project, staff estimates that the project will generate approximately \$36,000.00 in annual revenue for RAP. Depending on the amount of solar rebate revenue that is available to be allocated to the project, staff estimates that it will take between ten (10) to thirteen (13) years to pay for the initial investment costs for the project.

Finally, it should be noted that staff will also be working to identify additional funding sources, including grants and donations, to help defray some of the initial investment costs for the project.

### Project Operation

As noted above, LADWP would purchase renewable energy from the Ken Malloy Harbor Regional Park - Harbor Regional Park FiT Solar (PRJ20747) project under a standardized long-term contract that will be offered at a set price. This price would include all energy, capacity rights, and environmental attributes associated with the project.

LADWP will provide RAP with a monthly statement calculating the amount of energy the project delivered to the LADWP electrical distribution system and the amount of payment due to RAP. LADWP will provide that calculated payment to RAP no later than the thirtieth (30<sup>th</sup>) day of each calendar month.

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RAP will be responsible, at its sole expense, for all operational and maintenance costs associated with the Ken Malloy Harbor Regional Park - Harbor Regional Park FIT Solar (PRJ20747) project. Additionally, RAP would be required to provide LADWP with an inspection and maintenance report on the facility every other year.

Environmental Review

Staff has determined that the subject project will consist of installation of a ground mounted co-generation stationary electrical project smaller than fifty (50) MW of net generation capacity. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15329 of the State CEQA guidelines.

FISCAL IMPACT STATEMENT:

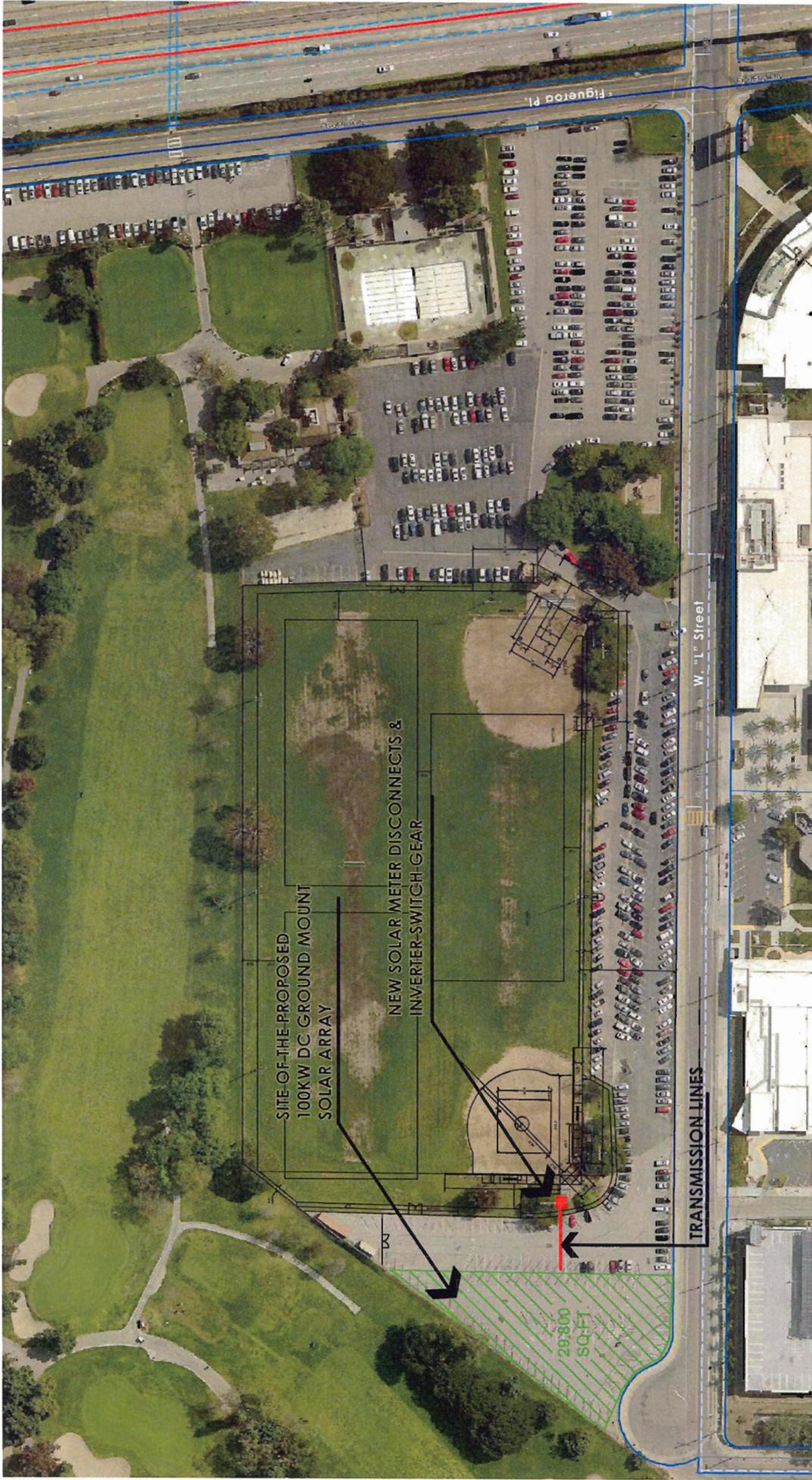
The approval of this project would have a long-term positive impact on the Department's General Fund as it is anticipated that RAP would generate approximately \$36,000.00 in annual revenue from the project.

The estimated costs for the design, development, and construction of the project are anticipated to be funded by Capital Park Development B funds or funding sources other than the Department's General Fund.

The costs associated with the long-term operation and maintenance of the project are unknown at this time.

This report was prepared by Darryl Ford, Management Analyst II, Planning, Construction and Maintenance Branch.

Exhibit A



NORTH SCALE: 1/8" = 1'



**CITY OF LOS ANGELES**  
**DEPT. OF RECREATION AND PARKS**

# HARBOR REGIONAL

1581 West "L" Street  
Wilmington 90744  
05.01.13