

RESOLUTION 2020-031

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH DOLE FRESH FRUIT COMPANY, REGARDING LOW CARBON FUEL STANDARD (LCFS) CREDITS FROM THE SHORE POWER PLUG LOCATED AT THE TENTH AVENUE MARINE TERMINAL FOR CREDITS GENERATED FROM JANUARY 1, 2020 THROUGH MARCH 31, 2020

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 I (Port Act); and

WHEREAS, the State of California's Low Carbon Fuel Standard (LCFS) expanded its optional participant definition in 2019 to include some operations by the District and its tenants; and

WHEREAS, using grid power instead of diesel fuel to energize cruise and cargo vessels when berthed can create credits that can be sold in the LCFS market; and

WHEREAS, the creation, registration, optimization and sale of the credits has resulted in a revenue stream for the District for shore power operations at the Tenth Avenue Marine Terminal (TAMT) and the Cruise Ship Terminals; and

WHEREAS, since the District owns the shore power infrastructure at TAMT but Dole Fresh Fruit (Dole) is the direct utility customer and account holder for shore power at TAMT and Dole's operation is currently the only shore power use at TAMT, the LCFS credits generated at TAMT stem from a combination of Dole and the District; and

WHEREAS, Dole and the District are currently negotiating a long-term MOU to determine, among other things, the appropriate split in revenues generated from the LCSF credits; and

WHEREAS, so as not to forego the current opportunity to monetize the credits during negotiations, the District and Dole have been entering into quarterly MOU's with a 50/50 revenue split beginning in Q2 of 2019; and

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WHEREAS, since the Q1 2020 MOU will potentially bring Dole's cumulative share of the proceeds beyond \$175,000, BPC approval of the MOU is required.

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

The Executive Director or her designee is authorized to execute a Memorandum of Understanding with Dole Fresh Fruit Company, regarding Low Carbon Fuel Standard credits from the shore power plug located at the Tenth Avenue Marine Terminal for credits generated from January 1, 2020 through March 31, 2020.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

Simon Kahn

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10th day of March 2020, by the following vote:

AYES: Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

NAYS: None.

EXCUSED: Bonelli.

ABSENT: None.

ABSTAIN: None.

Ann Moore

Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:

Donna Morales

Donna Morales
District Clerk

