



Legislation Text

File #: 05-2748, **Version:** 1

Recommendation to authorize City Manager to execute:

1) the Power Purchase Agreement by and between the City of Long Beach and DeLiddo and Associates, Inc., a California corporation, dba DEERS, and all related documents, for the installation of a solar power array and subsequent purchase of energy produced from the array at the Long Beach Convention and Entertainment Center located at 300 East Ocean Boulevard; and

2) the Applicant Assignment and Assumption Agreement and Consent to Assignment by and between a) the City of Long Beach, b) DeLiddo and Associates, Inc., a California Corporation, dba DEERS, and c) Southern California Edison, a California non-profit organization, and all other related documents, pertaining to Southern California Edison's Self-Generation Incentive Program. (District 2)

The City is the owner in trust of the Long Beach Convention and Entertainment Center (Facility) and contracts with SMG to operate the Facility under Management Agreement No. 21667. Under its agreement with the City, SMG is required to provide heating and air conditioning to both the Facility and the Hyatt Regency Hotel through a common Heating, Ventilation and Air Conditioning (HVAC) System, which is energized by electricity from Southern California Edison (SCE). The City pays SMG in advance on the first day of the month, the estimated costs to manage, operate, repair and maintain the HVAC System.

The Facility currently operates on an interruptible power grid and incurs substantial costs during peak demand periods, as well as severe penalties in the event of a power curtailment. The Facility consumes approximately 17 million Kilowatt Hours (kWh) annually. SCE charges an average of \$0.18 per kWh, composed of semi-fixed costs of \$0.04154 per kWh and variable cost of \$0.07646 per kWh. This translates to an annual SCE cost of approximately \$2,000,000 to provide electricity to the Facility.

[Timing Considerations]

[Fiscal Impact]

Approve recommendation.

[Enter Body Here]

[Respectfully Submitted,]