



## News Release

### **Reduced Electric Rates Help the Port Improve Air Quality**

**Discounts will save tenants \$350 million, keep Port competitive**

Mar. 13, 2014

The California Public Utilities Commission (CPUC) today approved reduced electric rates at the Port of Long Beach for the next 24 years and a program for Southern California Edison to install major electric infrastructure at no cost to the Port or its tenants, so that the Port and its tenants can proceed with critical electrification and environmental improvement projects.

The new rates and electric infrastructure are the result of an intensive effort by the Long Beach Board of Harbor Commissioners, its Harbor Department staff and City Attorney Charles Parkin, in coordination with Mayor Bob Foster, to win support for electrifying more Port operations to improve air quality and increase productivity.



With a reliable, reasonably-priced supply of electricity and modern electric infrastructure, the Port and its tenants will be able to invest to continue to improve productivity and efficiency.

The Port, the second-busiest in the nation and a major economic engine for the region, is facing stiff competition for its business and jobs from other U.S. ports and ports in Canada and Mexico. Port-related international trade supports 30,000 jobs in Long Beach and 300,000 jobs in Southern California.

The new rates are projected to save maritime operators at the Port of Long Beach an estimated 15 percent each year on their electric bills over the 24-year term of the CPUC-approved reduction or approximately \$350

million as compared with the current rates.

SCE will also be installing millions of dollars of new electric lines with voltage increased to 66 kilovolts and new substations as needed to serve the growing load at no cost to the Port and its tenants. In addition, Port tenants served at 66 kilovolts qualify for lower SCE rates, rather than higher rates at the existing 12 kilovolts.

This development follows several other important milestones in the effort to electrify the Port of Long Beach and as a result, improve air quality and increase competitiveness:

- Following years of negotiations, the Long Beach Board of Harbor Commissioners last summer entered into a 25-year contract with SCE which, among other things, required SCE to support the Port's application for reduced rates, install new electric lines and to provide electric service and establish procedures for additions and modifications of SCE facilities at the Port.
- Long Beach Harbor Department staff and the Long Beach City Attorney's office obtained a ground-breaking CPUC tariff rule (later copied and adopted statewide) which (a) permits the Port to provide electricity (or shore power) to ships at berth, allowing them to shut down their diesel generators and reduce air emissions, and (b) eliminates a costly separate SCE electric demand charge for each vessel call, reducing overall demand charges by 90% and saving vessels and maritime operators \$85 million per year.
- Long Beach Harbor Department staff and the Long Beach City Attorney's office established that activities at the Port of Long Beach were legally classified as essential facilities, and not subject to power interruptions by SCE; this is critical to reliable around-the-clock Port operations.

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