

DRAFT

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE xxxx

**ORDINANCE AMENDING THE FISCAL YEAR (FY)
2024 DISTRICT BUDGET, INCREASING THE FY
2024 NON-PERSONNEL EXPENSE
APPROPRIATION BY \$12,394,500.00 TO BE
FUNDED FROM LOW CARBON FUEL STANDARD
PROGRAM FUNDING**

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 District was the first port in California to join the Low Carbon Fuel Standard (LCFS) Program, in April 2019, and since that time the District has partnered with multiple tenants to utilize the District's existing contract with Anew EV, LLC (Anew) formerly Blue Source, LLC at a relatively low cost; and

WHEREAS, the tenants provide the electricity used for qualified functions, Anew determines the number of credits and monetizes them for the District, and the District provides each tenant with its share of the proceeds; and

WHEREAS, the agreement with the Navy (District Clerk Doc. No. 74536, September 23, 2022) differs from the contract with the other partner tenants; instead of providing the Navy a direct payment, the District will be responsible for developing and managing LCFS-qualified projects at Navy Base San Diego; and

WHEREAS, the District will pay for the projects directly from the Navy's share of the funds; and

WHEREAS, the District will also pay from its own share of Navy generated LCFS revenues for District personnel who will develop the projects and manage the project construction; and

WHEREAS, the purpose of this action is to move a substantial part of earned NAVY LCFS revenue into the District Budget in an account whereby it can be utilized to fulfill the District's obligations to the Navy; and

WHEREAS, the proposed action amends the District FY 2024 Budget by adding \$12,394,500 to the Non-Personnel Expense appropriation funded from the Low Carbon Fuel Standard Program funding for use in performing under the Navy contract; and

XXXX

WHEREAS, staff recommends amending the District FY 2024 Budget by adding \$12,394,500 to the Non-Personnel Expense appropriation funded from the Low Carbon Fuel Standard Program funding for use in performing under the Navy contract.

NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The Fiscal Year 2024 Budget is hereby amended to increase the Fiscal Year 2024 Non-Personnel Expense appropriation by \$12,394,500 to be funded from Low Carbon Fuel Standard Program funding.

Section 2. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5th day of December 2023, by the following vote: