



AGR17-10

INCORPORATED COUNTY OF LOS ALAMOS SERVICES AGREEMENT

This **SERVICES AGREEMENT** (this "Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Siemens Industry, Inc., (for its Pace Global business)**, a Delaware corporation ("Contractor"), to be effective for all purposes October 31, 2016.

WHEREAS, the County Purchasing Agent determined in writing that the use of competitive sealed bidding was either not practical or not advantageous to County for procurement of the Services and County issued Request for Proposals No. 17-10 (the "RFP") on August 28, 2016, requesting proposals for Development of an Integrated Resource Plan ("IRP") to guide the Department of Public Utilities in its decision making process in the acquisition of new power generation resources, as described in the RFP; and

WHEREAS, Contractor timely responded to the RFP by submitting a response dated September 27, 2016 ("Contractor's Response"); and

WHEREAS, based on the evaluation factors set out in the RFP, Contractor was the successful Offeror for the services listed in the RFP; and

WHEREAS, the Los Alamos County Board of Public Utilities approved this Agreement at a public meeting held on October 19, 2016; and

WHEREAS, the County Council approved this Agreement at a public meeting held on October 25, 2016; and

WHEREAS, Contractor will provide the Services, as described below, to County.

NOW, THEREFORE, for and in consideration of the premises and the covenants contained herein, County and Contractor agree as follows:

1. **SECTION A. SERVICES:** Contractor shall provide an IRP that will help guide near-term decisions under the requirements of the current Electric Coordination Agreement between County and Department of Energy-Los Alamos National Laboratory ("DOE-LANL") and will help guide near-term and long-term decisions in multiple areas as County implements the policies adopted by the Board of Public Utilities ("BPU"). Contractor shall format the IRP so it can be easily updated over time to reflect changing circumstances. The IRP will evaluate a comprehensive range of demand-side and supply-side resources over the period 2017-2036. Contractor shall address the following key questions in this IRP:
 - a. How can County and DOE-DOE-LANL best share resources for the benefit of both parties with a post 2025 Energy Coordinating Agreement ("ECA")?
 - b. What is the best portfolio of resources to meet County's goal of being carbon neutral by 2040?

- c. When should County terminate its current ownership in the coal-fired San Juan Power Project in New Mexico? The current project participation agreement expires in 2022.
- d. Is there any opportunity to sell the County's share of Unit 4 at the San Juan Generating Station and if so when and how this best would be solicited?
- e. Should County continue its participation in the Utah Association of Municipal Power Systems ("UAMPS") Carbon Free Power Project ("CFPP") using a series of small modular reactors, currently in phase I (fatal flaw analysis)?
- f. How can County secure transmission for the CFPP with all of the movement and discussions around a combined Independent System Operator ("ISO")?
- g. What are the possible options for County to meet the policies established by the adopted County's Future Energy Resource ("FER") committee recommendations?
- h. What additional opportunities exist for cost-effective demand-side programs, including energy efficiency, demand response, and distributed energy storage?
- i. How should County cost-effectively meet the requirements for reliable and economic operations inside the Balancing Area of the Public Service Company of New Mexico ("PNM")?
- j. If possible, when is the most economical time to exit the Laramie River Station Power Purchase Agreement ("PPA")?

Phase I: Initiation of the IRP Process

In this first phase of work, conducted in a Kick-Off Meeting, Contractor shall accomplish the following:

1. Gather information and data. Before the Kick-Off Meeting, Contractor will prepare a data request and gather input data to include, but not limited to, load forecasts, existing resource characteristics, take or pay gas and coal supply contracts, power purchase agreements, and fuel forecasts. Contractor will use its own market forecasts for the purpose of this study. Contractor will use these inputs to develop a spreadsheet that will summarize all of the key assumptions that will drive these forecasts. For these analyses, Contractor will model the Los Alamos area in sufficient detail to account for the likelihood of changes to the current economic conditions, and potential coal retirements on the County's generation needs, as well as on the surrounding regions at a high level.
2. Set protocols and Project Management meetings. At the Kick-Off Meeting, Contractor will establish coordination protocols throughout the IRP planning process and set a bi-weekly schedule for reporting progress to County and getting County's feedback at every step of the process. Contractor will ensure that County is well informed throughout the process and has input into every decision.
3. Establish Objectives and Metrics. Contractor will discuss the primary goals and objectives and key metrics that will be used to evaluate the recommended portfolio(s). Contractor shall consider County's primary objectives which include identifying a portfolio that is lowest cost, minimizes risks or stable rates, ensures reliability, meets environmental stewardship standards and provides for needed diversity or flexibility as markets evolve but must also consider the County's goal of being carbon neutral by 2040. Hence, Contractor will establish metrics for each objective at the beginning of the process so it can properly evaluate all reasonable alternatives against these sometimes competing metrics. There can be multiple metrics for each objective as County determines is appropriate.

Phase II: Post 2025 Assessment

During Phase II Contractor shall review the ECA between DOE-LANL and County that expires in 2025. Contractor will address the options of flexibility between DOE-LANL and County to select different assets to meet each of their respective objectives.

To address the post 2025 extension of the existing ECA, Contractor will select a limited number of options, and conduct an analysis of the implications of those contractual options in the post 2025 period on the portfolios selected to assess the costs of optimizing County's and DOE-LANL's requirements separately rather than jointly.

To fully vet this process, Contractor will review with County the ECA and the alternatives and objectives of both parties. As 80% or more of County's load, DOE-LANL is a key participant and has many common objectives with County. However, as a national lab, not all objectives are likely to be totally aligned and both DOE-LANL and County are considering adding flexibility to allow both parties to meet their objectives somewhat independently.

Contractor will reach an agreement with County on which options are most relevant and then evaluate the impact of one or more of these options and compare it to the existing ECA framework (business as usual). Included in the Core Initial Study, Contractor shall meet with County and DOE-LANL at a mutually agreeable time to discuss the goals and objectives of both parties. With this information, Contractor will analyze the implications of the options on the ultimate cost under selected portfolios.

Contractor will select portfolios that would (i) meet both group's objectives and constraints as if they continued to operate under the existing ECA structure; (ii) what might change if they both operated independently (and compare the cost implications); and (iii) select one of the options that gave DOE-LANL somewhat more flexibility than the first but less than the second.

The Contractor will set up two sets of objectives (one for DOE-LANL and one for County) – then select portfolios based upon maximizing value under different contractual assumptions and then test to see the cost implications of each over different future market outcomes.

Phase III: Conducting the IRP

Contractor will draft the IRP in a way that focuses on two (2) distinct periods, with the first focused on decisions between 2016 and 2025 and the second focused on the 2026-2036 period, to guide near-term and long-term decisions. In the first period, the assessment will be based on the joint interests of the current contract with DOE-LANL under a current set of objectives. In the second period, Contractor will consider evaluating resources based upon the most likely construction of the contractual arrangement with DOE-LANL in the post-2025 period from the analysis conducted in Phase II. The County will make a decision after considering DOE-LANL's input on the best approach for contracting with DOE-LANL in the post-2025 period, Contractor will follow the task methodology, described below, for completing the IRP:

Task 1: Develop Baseline and Scenario-based Screening Forecasts

For screening technologies and selecting portfolios, Contractor will provide a baseline forecast of plant operating data, PPA performance and baseline forecasts of coal, gas, power and emission forecasts. In addition, Contractor will select a couple of boundary scenarios to test technology options against, to ensure that options are not eliminated without proper consideration of their merits under different market conditions as described below.

Baseline Load Forecast Modeling and Analysis Overview

Contractor will develop County load forecasts as outlined below:

- Step 1:** Contractor shall collect updated historical load, weather, and economic data (Gross Domestic Product (“GDP”), personal income, population, and other relevant information in a separate Excel file)
- Step 2:** Contractor shall update the regression model comparing more recent weather and economic factors to load
- Step 3:** Contractor shall project future weather conditions and economic variables based largely on updated historical indicators
- Step 4:** Contractor shall model load based on weather and economic projections in Step 3 to develop the “base case” load forecast
- Step 5:** Contractor shall develop scenarios that will alter the macro load growth parameters and the economic variables from Step 3 that could impact the forecast.

Baseline and Alternative Scenarios for Coal, Gas, Emissions, Technologies and Power

Contractor will provide its baseline, high and low forecasts for the following key variables over the planning horizon:

1. Natural gas markets (demand and prices at both Henry Hub and basis to select points);
2. Coal markets and prices, including coal transportation;
3. Oil prices for specified products at major shipping points if needed;
4. Emission prices (Carbon, SO₂, NO_x) and emissions;
5. Technology capital costs for a specified group of technologies;
6. Power prices (peak and off-peak);
7. Plant retirements and builds; and
8. Electricity demand by class.

Contractor shall remain flexible on the development of some or all of these variables for its Baseline forecast values. Contractor will construct the sensitivities around the Baseline forecast.

Contractor will in its analysis, assess at a high level what, if any, impacts the Regional Transmission Operator (RTO) options in the region have on potential investments in the UAMPs proposal on modular nuclear or other transmission needs for new generation outside New Mexico. To the extent that costs may differ, Contractor will suggest the most likely treatment of transmission for purposes of this study and note any concerns that would impact whether to continue to invest in that project.

Task 2: Technology Option Screening and Portfolio Development

To define the options for additional resource additions, Contractor will deploy a screening analysis to rank different technologies and combinations of these technologies in the short, medium and long term to meet a number of key requirements, such as reserve margins or required environmental restrictions (such as Carbon free by 2040). This task will provide guidance to the County on the preferred timing and feasible technology choices before performing the full portfolio analysis.

Next, using the technology specifications (such as capital costs, heat rate and capacity adjusted for local characteristics including elevation, etc.) identified, Contractor will work with County to identify portfolio specifications that will include technology choice, size, and timing of the resource addition. These portfolio specifications will be diverse enough to evaluate all of the key questions identified above, but focused enough to represent a full range of plausible

options. Contractor shall evaluate, at minimum, the following portfolio options alone or in combination:

1. A reference case resource plan, which will assume no new builds or retirements; this plan will provide a frame of reference for each of the other portfolio options
2. Continuation of Laramie River (terminate PPA soon, keep for intermediate term, or keep indefinitely)
3. Continuation of the UAMPs nuclear option
4. A new combined-cycle power plant (on or after 2022)
5. The purchase of certain ownership shares an existing combined cycle power plant
6. Extension of Participation Agreement in the San Juan coal plant to 2027 or 2035
7. The purchase of capacity and energy from the market
8. Long-term Power Purchase Agreement of renewables (wind or solar)
9. Build renewables (solar or wind – utility scale – community solar)
10. DER penetration, energy efficiency and DSM options
11. A combination of small reciprocating engines
12. Battery storage
13. Combinations of the above options

Contractor will collaborate with County to screen and rank the technology options at different points in time under a limited number of screening scenarios (described in the previous task) to construct a total of six (6) portfolios for further evaluation of the overall risks and tradeoffs to sufficiently address County's primary objectives in managing rate and system stability, costs, market exposure, as well as environmental compliance and stewardship. The existing take-or-pay gas and coal contracts, and the PPA will be considered and modeled in the portfolio analysis.

Task 3: Portfolio Resource Plan Analysis

Contractor and County will collaborate to determine the risk factors that will be evaluated for the purpose of the IRP. Contractor will then propose that stochastic distributions, based on both historic volatility and expected impacts of specific anticipated events, be developed to capture uncertainty of the market drivers including:

1. The expected trajectories and distributions of peak and average loads for Western Electricity Coordinating Council (WECC), New Mexico, and DOE-LANL, taking into consideration different plausible scenarios of energy efficiency penetration and transportation electrification.
2. The expected trajectory and distribution of natural gas prices at delivery points throughout WECC, considering expected evolution of the natural gas transportation infrastructure, and non-power industry factors driving supply and demand such as Liquefied Natural Gas (LNG) exports.
3. Coal Prices, considering fundamental economics of mining, and effect of commodity prices on transportation cost of coal from mine mouth to plant sites
4. Generation Technology Capital costs, reflecting expectation of prices of commodity utilized in the manufacture and installation of the technology, the decline curves for each technology associated with benefit of R&D and technological maturity, and uncertainties around the speed of technological change and the costs of building plants.
5. CO2 prices, considering differing scenarios of environmental legislation as well market design and market forces affecting cost of compliance.

Contractor will use these stochastic drivers to create up to two hundred (200) iterations representing plausible market condition that captures range of variability and the serial

correlation within each one of these market drivers, as well as the cross correlation between different market drivers.

Next, using AURORA_{xmp}, Contractor will run these 200 iterations over time and determine how each plant in each portfolio dispatches to meet load, the costs associated with meeting load and will track emissions to ensure that they meet regulatory requirements. Contractor will summarize how well each portfolio performs against the selected metrics.

County's selection of the "recommended" portfolio will balance County's needs for the least amount of expected costs and the most stable portfolio among other competing objectives, among other objectives.

Using this approach, Contractor will more rigorously assess tradeoffs between:

1. Least cost and rate stability;
2. Least cost and environmental stewardship; and
3. Least cost and most diversity.

Phase IV: Provide Presentation-Style Reports at Public Board Meeting

Contractor will present its findings to County in Los Alamos as described below in PowerPoint format (i) at 60 percent completion within 120 days of the Effective Date of this Agreement and (ii) upon completion of the IRP (described below in Phase V). The 60% submittal shall include a preliminary review of the County's resource options considering the adopted policies by the BPU and the current market conditions.

Contractor will present at least two (2) presentations to the BPU. At County's request, Contractor will present at additional public stakeholder meeting(s). This presentation-style report will show the process used, key assumptions, findings, sensitivities and interpretation of results.

Contractor will also develop presentation material with detailed supplementary notes, including charts, graphs, and tables to be submitted to the County for review and comment at least two (2) weeks prior to Contractor's presentations. Contractor will provide the County with the draft information necessary for Contractor to present preliminary results to the BPU to ensure compliance with the adopted strategic objectives.

Phase V: Provide Final Report including Implementation Plans

Contractor along with County staff will consider the Board and Council feedback in the final analysis to prepare a comprehensive IRP report. This final report will address both short-term focusing on the ECA and long-term portfolio combinations that would cover a post 2025 ECA that meets the needs of both parties over a 20-year period (2016-2035). The report will break out the analysis into two (2) distinct periods, the existing contract period through 2025 and the post contract period. Contractor will also specifically address each of the ten (10) Key Issues described in Section A Services, above.

This final report will reflect the approach and the selection process for the recommended portfolio in each period along with full documentation of the steps along the way.

Project Schedule. Contractor shall adhere to the following Project Schedule in the development of the IRP:

November 8 Kick- Off Meeting

November 22 Finalize operating parameters of existing fleet, objectives, metrics and portfolio options

December 7	Complete load forecast and define screening scenarios
January 23	Select Final Portfolios and Develop Stochastic Inputs
February 17	Complete Risk Analyses
February 27	Present preliminary findings (60% within 120 days) and results of initial portfolio analysis for the portfolios, including supporting analysis
March 15	Deliver updated findings and detailed presentation to management or to the BPU
March 21	Deliver final presentation and written IRP report to County for acceptance

Upon mutual agreement, the Project Schedule may be slightly modified, however the final written IRP report shall be delivered to County for acceptance no later than April 1, 2017.

SECTION B. TERM: The term of this Agreement shall commence October 31, 2016 and shall continue through November 1, 2018, unless sooner terminated, as provided herein. At County's sole option the Agreement may be renewed for up to three (3) consecutive one-year periods, unless sooner terminated, as provided therein.

SECTION C. COMPENSATION:

- 1. Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed THREE HUNDRED THIRTY-TWO THOUSAND ONE HUNDRED DOLLARS (\$332,100.00), which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.
- 2. Monthly Invoices.** Contractor shall submit itemized invoices to County's Project Manager showing amount of compensation due, amount of any NMGRT, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice. All disputes related to performance and payment shall be governed by the County's Procurement Code, Chapter 31.
- 3. Deemed Acceptance.** If due to reasons beyond Contractor's control, acceptance does not take place within 60 (sixty) days from the date the final written IRP report is due to County, acceptance shall be deemed to take place upon expiry of said period of time.

SECTION D. TAXES: Contractor shall be solely responsible for timely and correctly billing, collecting and remitting all NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of County and will not be considered an employee of County for any purpose. Contractor, its agents or employees shall make no representation that they are County employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing the County's name or logo. Neither Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind County to any agreement, contract, duty or obligation. Contractor shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Contractor shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from County; provided, however, that Contractor shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Contractor agrees and represents that it has and will maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor shall perform the Services described herein in accordance with a standard that exceeds the industry standard of care for performance of the Services.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: County shall own all right, title and interest in the tangible deliverables provided by Contractor under this Agreement. Ownership of any existing or developed intellectual property, including that embedded in the deliverables, shall remain at all times with Contractor. Contractor grants County a non-exclusive, governmental, irrevocable, world-wide, license to use Contractor's intellectual property embedded in the deliverables solely for the purposes provided under the Agreement and as required by law. Except as expressly granted herein, nothing contained in this Agreement shall be deemed to grant any license under any intellectual property right other than those expressly granted herein.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Contractor shall be solely responsible for payment of wages, salary or benefits to any and all employees or contractors retained by Contractor in the performance of the Services. Contractor agrees to indemnify, defend and hold harmless County for any and all claims that may arise from Contractor's relationship to its employees and subcontractors.

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to County. Contractor shall assure that all subcontractors maintain like insurance. Compliance with the terms and conditions of this Section is a condition precedent to County's obligation to pay compensation for the Services and Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. County requires Certificates of Insurance or other evidence acceptable to County that Contractor has met its obligation to obtain and maintain insurance and to assure that subcontractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. General Liability Insurance and Automobile Liability Insurance shall name County as an additional insured.

1. **General Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate.
2. **Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Contractor and its Employees:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.
4. **Professional Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00). Professional Liability Insurance shall provide coverage for Services provided hereunder during the term of this Agreement and for a period of at least five (5) years thereafter.

SECTION J. RECORDS: Contractor shall maintain, throughout the term of this Agreement and for a period of six (6) years thereafter, records that indicate the date, time, and nature of the

services rendered. Contractor shall make available, for inspection by County, all records, books of account, memoranda, and other documents pertaining to County at any reasonable time upon request.

SECTION K. APPLICABLE LAW: Contractor shall abide by all applicable federal, state and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of this Agreement. In any lawsuit or legal dispute arising from the operation of this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. Venue shall be in the First Judicial District Court of New Mexico in Los Alamos County, New Mexico.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor under this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability or veteran status.

SECTION M. INDEMNITY: Contractor shall indemnify, hold harmless and defend County, its Council members, employees, agents and representatives, from and against all third party liabilities, damages, claims, demands, actions (legal or equitable), and costs and expenses, including without limitation attorneys' fees, arising from Contractor's willful misconduct or negligent performance hereunder or breach hereof and the willful misconduct or negligent performance of Contractor's employees, agents, representatives and subcontractors.

County shall provide the Contractor with prompt written notice of any third party claims covered by this Article.

SECTION N. FORCE MAJEURE: Neither County nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

SECTION O. NON-ASSIGNMENT: Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of County.

SECTION P. LICENSES: Contractor shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall assure that all of Contractor's employees and subcontractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION Q. PROHIBITED INTERESTS: Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further agrees that it will not employ any person having such an interest to perform services under this Agreement. No County Council member or other elected official of County, or manager or employee of County shall solicit, demand, accept or agree to accept a gratuity or offer of employment contrary to Section 31-282 of the Los Alamos County Code.

SECTION R. TERMINATION:

1. **Generally.** County may terminate this Agreement with or without cause upon ten (10) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Contractor shall render a final report of the Services performed to the date of termination and shall turn over to County originals of all materials prepared pursuant to this Agreement.
2. **Funding.** This Agreement shall terminate without further action by County on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by the County Council. County shall make reasonable efforts to give Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION S. NOTICE: Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given upon hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three (3) days after deposit in the United States Mail:

County:

Jordan Garcia, Project Manager
Incorporated County of Los Alamos
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544

Contractor:

Todd Thurlow, Vice President
Siemens Industry, Inc.
4401 Fair Lakes Court
Fairfax, Virginia 22033

SECTION T. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both County and Contractor.

SECTION U. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Contractor's Response and is incorporated herein by reference for all purposes. This Section acknowledges compliance with Chapter 81 of the Laws of 2006 of the State of New Mexico.

SECTION V. LIMITATIONS OF LIABILITY: County agrees that Contractor's total liability, and County's sole and exclusive remedy, for damages in any way related to or arising from the performance of Contractor's duties and obligations under this Agreement, whether on claims for breach of contract, warranty, negligence, tort (including strict liability) or otherwise, shall not exceed the amount identified in Section C(1) above. It is agreed by the parties that this sum is reasonable under all the circumstances.

SECTION W. Confidentiality. Confidential Information Disclosure Statement. The Confidential Information Disclosure Statement in Exhibit "B," attached hereto and incorporated herein by reference for all purposes, must be completed by Contractor as a condition precedent and submitted as part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

SHARON STOVER
COUNTY CLERK

BY: _____
TIMOTHY GLASCO **DATE**
UTILITIES MANAGER

Approved as to form:

KATHRYN S. THWAITS
ACTING COUNTY ATTORNEY

SIEMENS INDUSTRY, INC. A DELAWARE CORPORATION

BY: _____
ADRIAN ROUSE **DATE**
HEAD ENERGY BUSINESS ADVISORY

SIEMENS INDUSTRY, INC. A DELAWARE CORPORATION

BY: _____
MARTIN WEISS **DATE**
FINANCIAL CONTROLLER, PTI SEGMENT

EXHIBIT A
AGR17-10

Rate Schedule

Contractor shall charge a fixed price of \$175,000 for the Core Initial Study, which entails stochastic analysis of six portfolios across two CPP cases as defined in Section A above. This fixed-price, includes the presentation of the preliminary report to County and its results to the Board of Public Utilities by two Contractor team members. If additional trips are requested for the stakeholder meeting or the staff meetings, the travel for each would be capped at a cost of \$3250 per person and will be billed at cost. The team will request approval from the DPU prior to making any travel plans.

If requested by County to analyze more than six portfolio options as indicated in the Section A above, Contractor shall bill based upon the rate schedule defined below:

Core Initial Study \$175,000 Fixed Price (6 portfolios – 2 CPP options)

- Short Term IRP – Hours by Task and Key Team:

Project Team Member	Project Management	Assumptions Metrics	Portfolio Definition	Portfolio Screening	Stochastic Risk Analysis	Report	Total Hours	Cost
Gary Vicinus	6	2	2	3	3	1	16	\$8,600
Fengrong Li	16	0	3	0	0	3	22	\$8,822
Chuck Fan	7	1	0	2	4	1	15	\$6,212
Melissa Haugh	0	1	0	0	0	0	2	\$720
Halt Bradshaw	0	1	0	0	0	0	2	\$630
Karthik Viswanathan	0	10	0	0	10	0	19	\$7,103
Brian Kwak	5	0	6	6	6	0	24	\$7,695
Peter Hubbard	0	3	0	0	0	0	3	\$1,226
Kwang Kim	0	2	5	10	14	2	33	\$10,618
Paul Sharpe	0	2	5	10	14	5	36	\$10,572
Olivia Valentine	0	3	3	10	14	5	35	\$7,802
Total	34	25	25	42	65	17	208	\$70,000

- Long Term IRP – Hours by Task and Key Team:

Project Team Member	Project Management	Assumptions, Metrics	Portfolio Definition	Portfolio Screening	Stochastic Risk Analysis	Report	Total	Cost
Gary Vicinus	10	3	3	4	4	1	26	\$13,788
Fengrong Li	26	0	5	0	0	4	35	\$14,145
Chuck Fan	11	2	0	4	6	2	25	\$9,959
Melissa Haugh	0	2	0	1	0	0	3	\$1,155
Halt Bradshaw	0	2	0	0	0	0	2	\$1,010
Karthik Viswanathan	0	10	0	0	10	0	21	\$7,536
Brian Kwak	5	0	7	7	7	0	26	\$8,165
Peter Hubbard	0	3	0	0	0	0	4	\$1,310
Kwang Kim	0	4	9	20	23	3	58	\$18,475
Paul Sharp	0	3	9	16	23	9	58	\$16,949
Olivia Valentine	0	4	4	16	23	9	56	\$12,509
Total	52	34	36	68	95	28	312	\$105,000

Additional travel	\$3,250	per trip (optional at County's request)
Additional Portfolios	\$5,000	per portfolio (beyond 6)
Additional post 2025 options	\$5,000	per option (beyond extend as is and one additional)
Value of Selling Unit 4	\$8,000	optional assessment – fixed price

IRP Update \$100,000 Based on scope in accordance with rates below:

Project Team Member	Project Management	Assumptions Metrics	Portfolio Definition	Portfolio Screening	Stochastic Risk Analysis	Report	Total	Cost
Gary Vicinus	10	3	3	4	4	1	27	\$14,130
Fengrong Li	11	0	5	0	0	4	21	\$8,312
Chuck Fan	11	2	0	4	6	2	25	\$10,206
Melissa Haugh	0	2	0	1	0	0	3	\$1,183
Halt Bradshaw	0	2	0	0	0	0	3	\$1,035
Karthik Viswanathan	0	17	0	0	0	0	17	\$6,038
Brian Kwak	17	2	2	2	2	2	26	\$8,235
Peter Hubbard	0	5	0	0	0	0	5	\$1,739
Kwang Kim	0	4	9	20	23	3	59	\$18,932
Paul Sharp	0	3	9	16	23	9	60	\$17,369
Olivia Valentine	0	4	4	16	23	9	57	\$12,819
Total	49	43	32	64	82	30	301	\$100,000

EXHIBIT B
AGR17-10

Confidential Information Disclosure Statement

The Incorporated County of Los Alamos is a governmental entity subject to certain disclosure laws including, but not limited to, the New Mexico Inspection of Public Records Act (1978) NMSA §§14-2-1, et seq. Nothing in this agreement is intended to diminish or expand the application of any applicable disclosure laws to any proprietary or confidential information.

This Confidential Information Disclosure Statement ("Statement") defines obligations and waivers related to Confidential Information disclosed pursuant to the above referenced Agreement between County and Contractor. County and Contractor agree to the following:

1. Statement Coordinator – Each party designates the following person as its Statement Coordinator for coordinating the disclosure or receipt of Confidential Information:

Contractor: _____

County: _____

2. Definitions:

- a) **Confidential Information** - any form of information, in any format, disclosed by the Discloser to the Recipient and identified as confidential.
- b) **Discloser** - the party disclosing Confidential Information.
- c) **Exception** – An exception is satisfied if the Confidential Information disclosed: (i) was in Recipient's possession prior to receipt from Discloser, (ii) is publicly known or readily ascertainable by legal means, (iii) is lawfully received by Recipient from a third party without a duty of confidentiality, (iv) is disclosed by Discloser to a third party without a duty of confidentiality on the third party, (v) is independently developed or learned by Recipient, or (vi) is disclosed by Recipient with Discloser's prior written approval.
- d) **Recipient** – the party receiving Confidential Information.

3. Obligations – Recipient shall protect and ensure its participating subcontractors, agents, or associates will protect all Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the Confidential Information as Recipient uses to protect its own information of a like nature. If any person or entity requests or demands, by subpoena or otherwise, all or any portion of the confidential information provided by one party to another, the party receiving such request shall immediately notify the Discloser of such request or demand. The party receiving the request or demand shall independently determine whether the information sought is subject to disclosure under applicable law including the New Mexico Inspection of Public Records Act. If the party receiving the request or demand determines that the information is subject to disclosure, it shall notify the Discloser of its intent to permit the disclosure with sufficient time to permit the Discloser to invoke the jurisdiction of an appropriate court or administrative body to raise any legitimate objections or defenses it may have to the disclosure. In the absence of an appropriate order prohibiting the disclosure, the party receiving the

request or demand shall permit and proceed with the disclosure without incurring any duty, obligation or liability to the Discloser.

4. **Termination** - (i) Except as provided in subparagraph (ii) following, upon termination for any reason of the above referenced Agreement, Recipient shall return or destroy all Confidential Information received on behalf of the Discloser. This provision shall apply to Confidential Information that is in the possession of subcontractors, agents, or associates of Recipient. (ii) If Recipient determines that returning or destroying Confidential Information is not feasible, Recipient shall provide to Discloser written notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of the Confidential Information is not feasible, Recipient shall extend the protections of this Confidential Information Disclosure Statement to such Confidential Information and shall limit further uses and disclosures of such Confidential Information to those purposes that make the return or destruction infeasible, for so long as Recipient maintains such Confidential Information. (iii) The respective rights and obligations of Recipient under this paragraph shall survive the termination of the Agreement of the parties to which this Confidential Information Disclosure Statement attaches.
5. **Choice of Law** – Without regard to conflict of law provisions, this Statement is governed by and shall be construed in accordance with the laws of the State of New Mexico.
6. **Miscellaneous** – Except as otherwise provided in the above-referenced agreement Between County and Contractor, all Confidential Information provided under the above referenced Agreement is proprietary in nature and belongs to and shall inure to the benefit of the Discloser. Recipient shall not acquire any patent, copyright, mask work, or trademark rights under this Statement. This Statement imposes no obligation on either party to purchase, sell, license, transfer, or otherwise dispose of any technology, service, or product; does not create any agency or partnership relationship; may be added to or modified only in a writing signed by both parties, supersedes all oral or implied agreements concerning Confidential Information; and may be signed in duplicate originals, or in separate counterparts, which are effective as if the parties signed a single original. A facsimile of an original signature transmitted to the other party is effective as if the original was sent to the other party.
7. **Indemnity** – Contractor shall indemnify, hold harmless, and defend County, its Council Members employees, agents, and representatives, from and against all liabilities, damages, claims, demands, actions (legal and equitable), and costs and expenses, including without limitation attorney's fees, of any kind or nature, arising from Contractor's performance hereunder or breach hereof or the performance of Contractor's employees, agents, representatives, and subcontractors.

Signed this ___ day of _____, 20__

Contractor

County

By

By

Title

Title