

Council Meeting Staff Report

August 17, 2016

Agenda No.:	5.E.
Indexes (Council Goals):	BCC - N/A
Presenters:	Steve Cummins
Legislative File:	8316-16

Title

Approval of Amendment No. 2 to the Laramie River Station Participation Power Sales Agreement between the City of Lincoln and the County of Los Alamos

Recommended Action

I move that the Board of Public Utilities approve Amendment No.2 to the Laramie River Station Participation Power Sales Agreement and forward to Council for their consideration.

Staff Recommendation

Staff recommends approval of Amendment No.2 to the Laramie River Station Participation Power Sales Agreement as presented

Body

In 1987 the County signed a Participation Power Sales Agreement with the City of Lincoln for 0.61% share (10 Mega Watts) of the Laramie River Station generating capacity. The original debt service for Los Alamos County's share of Laramie River Station will retire on August 31, 2016. The current contract with the City of Lincoln, doing business as Lincoln Electric System (LES), is somewhat unclear on how to handle cost after the repayment of the initial debt service. This amendment will clarify billing practices associated with retirement of the major debt service for Laramie River Station. This amendment will replace the current Exhibit A (Monthly Power Cost) in its entirety, and no other changes will be made to the general terms of the contract.

Alternatives

Do nothing and Section 1 of the current Exhibit A will become zero and all remaining cost will be billed through sections 2, 3, 4, and 5 of Exhibit A.

Fiscal and Staff Impact

No fiscal or staff impact associated with this contract amendment. With the payoff of the original debt service, this resource will see an approximate 30% reduction in cost. Similar to the San Juan Generating Station, LRS is also facing huge capital investments in new environmental controls over the next couple of years. DPU believe this resource will still be economical for many years to come.

Attachments

- A - Laramie River Station Participation Power Sales Agreement Amendment No 2
- B - Laramie River Station Participation Power Sales Agreement Dated June 25th 1987
- C - Proposed Exhibit A To Laramie River Station Participation Power Sales Agreement (Monthly Power Costs)