

## Council Meeting Staff Report

June 6, 2017

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<b>Agenda No.:</b>	E.
<b>Indexes (Council Goals):</b>	2018 Council Goal – Quality Governance – Intergovernmental Relations – Strengthen Coordination and Cooperation Between County Government, LANL, and Regional and National Partners
<b>Presenters:</b>	Steve Cummins
<b>Legislative File:</b>	9182-17

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### Title

Approval of Western Area Power Administration (WAPA) Rocky Mountain Region (RMR) Western Area Colorado Missouri Balancing Authority (WACM) Services Agreement No. 17-RMR-2821

### Recommended Action

**I move that Council approve Western Area Power Administration (WAPA) Services Agreement No. 17-RMR-2821.**

### Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve the agreement as requested.

### Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the agreement as requested.

### Body

Los Alamos County (LAC) has a lifetime of the plant participation agreement in Laramie River Station with Lincoln Electric System (LES). Since the inception of our involvement in (LRS), Basin Electric Power (BEP), handled all plant operations on behalf of all plant participants. As part of plant operations, energy accounting/generator imbalance functions for the participants in LRS where prorated back to each of the members. BEP has changed its operations and is now requiring the participants to manage their own energy accounting/generator imbalance responsibilities. LAC must use the generator imbalance to manage hourly fluctuations in scheduled energy vs. actual plant output. As LRS resides in one of WAPA's balancing authorities, LAC is required to establish an agreement with WAPA to manage the imbalance. This type of agreement is not unusual for LAC, as we currently operate in this manner with San Juan Generating Station and Public Service Co. of New Mexico as the Balancing Authority.

### Alternatives

Due to LAC's life of the plant contract with minimum generation requirements we have no alternative and must work with the Balancing Authority to establish and execute this contract.

### Fiscal and Staff Impact/Planned Item

The monetary impact should be negligible. This agreement is intended to keep both parties whole and will have both debits and credits. LAC fully expects this contract to net \$0.00 or be very close; however, because WAPA prefers to manage imbalances financially, the cost portion of this contract may exceed \$200,000.00 over the approximately 25 year life of the asset. "Financially" means we reconcile every month based on a price, as opposed to "physically" in which LAC pays and receives payment with energy.

### Attachments

A - WAPA Services Agreement No. 17-RMR-2821