

Council Meeting Staff Report

June 27, 2017

Agenda No.:	I.
Indexes (Council Goals):	2018 Council Goal – Quality Governance – Intergovernmental Relations – Strengthen Coordination and Cooperation Between County Government, LANL, and Regional and National Partners
Presenters:	Bob Westervelt
Legislative File:	9563-17

Title

Approval of Modification 20 to the Electric Energy and Power Coordination Agreement (ECA) Between the Incorporated County of Los Alamos and the United States Department of Energy (DOE).

Recommended Action

I move that Council approve this Modification 20 to the Electric Coordination Agreement as presented.

Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve Mod 20 as requested.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve Mod 20 as requested.

Body

The Power Pool was established through the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy in 1985. (Note: In 2002 the National Nuclear Security Administration was established as a branch of the Department of Energy and took over responsibility for the ECA. The acronyms NNSA, DOE, and LANL may be used interchangeably throughout this discussion). Through the contract, both parties contribute the power from and costs of each of the respective "Pool Approved Resources" into the Pool, and those costs are then allocated back to the parties pro rata according to each party's usage. The contract has been renewed continuously since 1985. Historically the County has contributed approximately 75% of the resources, while the Lab has accounted for approximately 80% of the load.

The attached MOD20 to the Electric Coordination Agreement was approved by the Operating Committee on June 1, 2017. The changes are minor, mainly clarifying responsibilities for Critical Infrastructure Protection (CIP v5) and Western Electricity Coordinating Council (WECC) compliance, removal of the TA-3 Cogeneration Facility, which has been out of service for some time, as an approved resource, and correcting language related to fixed asset charges to reflect actual practice. The agreed status and cost share of the Carbon Free Power Project and the treatment of exploration of future resources are also included, primarily as a bridge to future negotiations for a MOD 21 where these matters will be refined more in the context of a post 2025 ECA. No changes to cost share, asset mix, or contract term are included in this modification.

Alternatives

Council could elect not to accept the proposed MOD20, in which case the parties would have to continue negotiations to address these matters.

Fiscal and Staff Impact/Planned Item

There is no immediate staff or fiscal impact. The proposed clauses proposed are intended to add clarity as to the matters covered.

Attachments

A - Proposed ECA Mod 20

