



## Council Meeting Staff Report

January 25, 2018

<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	* 2018 Council Goal – Quality Governance - Operational Excellence and Communication – Establish and implement a mechanism for effective Utility policy setting and review., * 2018 Council Goal – Quality Governance – Communication – Improve Transparency in Policy Setting and Implementation, * 2018 Council Goal – Quality Governance – Intergovernmental Relations – Strengthen Coordination and Cooperation Between County Government, LANL, and Regional and National Partners, * 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting
<b>Presenters:</b>	Board of Public Utilities; County Council - Special Session
<b>Legislative File:</b>	10337-18

### Title

Joint Meeting Between the Board of Public Utilities and Council to Discuss the Carbon Free Power Project

### Body

Los Alamos County became a member of the Utah Associated Municipal Power Systems (UAMPS) and specifically a participant in the Resource Project on April 16, 2014. DPU staff has been following the development of the Carbon Free Power Project (Project), which is a projected 600MW small modular reactor (SMR) facility. As it is being designed, the facility would house up to twelve NuScale nuclear power modules, each capable of generating up to fifty megawatts of electric power for a total plant capacity of 600MW.

This Project is under consideration by LAC as a potential replacement base load power resource after retirement of the County’s coal generation assets as early as 2022 and as a step towards meeting our goal of being a carbon neutral electric utility by 2040.

In August of 2015, BPU and CC approved an agreement allowing DPU to participate in the Project Study Phase and Siting Agreement with UAMPS also referred to as the fatal flaw analysis. The approved budget for this study phase was \$145,540.00 to be shared by DOE-LANL and LAC on an approximate 80/20 split, respectively. No fatal flaws were discovered in this phase, clearing the path for continued development. However, it was subsequently determined that DOE-LANL is unable to participate any further with LAC in the project through the existing electric coordination agreement. Future costs of the project would therefore be wholly the responsibility of LAC, unless some other form of participation agreement can be agreed upon with DOE.

In 2017 DPU completed an Integrated Resource Plan (IRP) comparing all of the options to serve the County’s Electric Demand on a Levelized Cost of Energy (LCOE) basis, while meeting our carbon neutral goal. The IRP identified solar with storage as having the lowest LCOE among the options considered. The Carbon Free Power Project came in second at approximately 3.5% higher cost based on the \$65/MWh cap the participants have determined to be the maximum they’re willing to pay.

The next step in the development of the project is the Licensing Period. The licensing period will be broken up into two phases. The first phase will be the preparation of the Combined Operating License Application (COLA). If the project participants choose to move forward with the project

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following the COLA preparation, the second phase will be the submittal of the COLA to the Nuclear Regulatory Commission for review and approval. The estimated cost of the next phase to the County is \$497k, assuming support from the DOE in the form of a grant.

DPU and UAMPS staff will present the latest information on the project at the January 25th public meeting starting at 6:00 pm. The presentation will show how this project with the support of DOE has the potential to go as low as \$45/MWh making it a very viable option. The joint Board of Public Utilities and County Council meeting following the public meeting will give Board and Council the opportunity to ask questions of staff and discuss this project as a possible resource to serve the County's electrical demand.

DPU will initiate an open forum for the public to provide comments, concerns and their support for our continued participation in the development of the project which will be shared with Board and Council at a later meeting. If all of the questions and concerns are adequately addressed, staff will be making a recommendation on the County's participation in the project as early as March 6, 2018.

#### **Attachments**

- A - Carbon Free Power Project Presentation
- B - Executive Summary of CFPP PSCs
- C - CFPP PSC Taking Points FAQs