

## Council Meeting Staff Report

April 10, 2018

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<b>Agenda No.:</b>	A.
<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, 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting
<b>Presenters:</b>	Steve Cummins
<b>Legislative File:</b>	10678-18

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### Title

Incorporated County of Los Alamos Resolution No. 18-09; A Resolution Authorizing and Approving the Carbon Free Power Project Power Sales Contract with Utah Associated Municipal Power Systems; Approving the Amended and Restated Initial Budget and Plan of Finance for the Project; and Related Matters.

### Recommended Action

**I move that Council approve Incorporated County of Los Alamos Resolution No. 18-09; A Resolution Authorizing and Approving the Carbon Free Power Project Power Sales Contract with Utah Associated Municipal Power Systems; Approving the Amended and Restated Initial Budget and Plan of Finance for the Project; and Related Matters.**

### Utilities Manager Recommendation

The Utilities Manager recommends that Council approve the Resolution as presented.

### Board, Commission or Committee Recommendation

The Board of Public Utilities (BPU) will consider approval of the Power Sales Contract and the Budget and Plan of Finance during the agenda item just preceding this one at the joint Council/BPU meeting. The Board's recommendation will, therefore, be made during this evening's meeting.

### Body

At the recommendation of a citizen *ad hoc* committee and the direction of the BPU, the Department of Public Utilities (DPU) was tasked to continue participating in the Carbon Free Power Project (CFPP) as an option for meeting the County's power demands. The CFPP is being considered as a potential resource for replacing the County's coal generation assets and to meet a Board-approved goal for the DPU to be a carbon-neutral electrical energy provider by 2040.

***Prior to Council approval at this meeting, the BPU is also being asked to consider approval of the Power Sales Contract and Budget and Plan of Finance. More details about the project and additional attachments are included with that staff report. (Agenda item 5.A)***

### Alternatives

DPU will continue to look at the alternatives to meet the County's electrical energy demands.

### Fiscal and Staff Impact

The maximum cost exposure for the County, if we choose to exit the project at the next decision point, is \$80,000. If the County chooses to participate further into the project, the fiscal impact increases as described in the attachments. The total County share is currently estimated to be approximately \$56 million if we stay in the project through construction completion. That cost would be financed by the project and the County would be repaying it as part of the purchase price of the power. The obligation to pay using electric system revenue may be viewed by bond rating agency

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and underwriters as a debt equivalency that could have some impact on future potential debt issues and related rating as described in the Accounting Treatment memo. Researching new or replacement generation resources is part of staffs' normal duties.

**Attachments**

A - Resolution No. 18-09 Including the Power Sales Contract and Budget and Plan of Finance

B - Publication Notice for Resolution No. 18-09