



Council Meeting Staff Report

September 17, 2019

Agenda No.:	A.
Indexes (Council Goals):	* 2019 Council Goal - Planning for Appropriate Levels of County Services
Presenters:	Steve Cummins
Legislative File:	12215-19

Title

Joint Board of Public Utilities & County Council Item - Los Alamos Power Resource Planning
"Challenges and Opportunities"

Recommended Action

Presentation Only

Utilities Manager's Recommendation

None

Board, Commission or Committee Recommendation

None

Body

In February 2019, DPU staff presented the 2017 IRP to County Council with the primary objective of giving the New Council members some history on Electric Power Resource Planning.

This presentation will give a high level overview of the resource planning that is ongoing within the department and what changes are happening in the western grid.

Fengrong Li, with FTI Consulting will present their perspective on Utility Resource Planning and the Electricity Market. This will look at what's happening in the west, particularly with the California Independent System Operator (CAISO) and the Energy Imbalance Market (EIM) as it moves east.

The Public Service Company of New Mexico (PNM) has made the decision to join the CAISO EIM in 2021. Since LAC is within PNM's Balancing Area (BA), DPU needs to be prepared to handle the new business model and fully understand the implications of being short or long on resources to meet the hourly demand. This is very important to the County since currently we purchase approximately 25 percent of our energy on the open market.

The EIM will allow LAC to take advantage of the cost saving associated with excess renewables (solar) on the western grid but at the same time power operations needs to be cognizant of spiking market prices in the evening when demand for power peaks after the solar power drops off.

DPU staff is working with UAMPS to gain a better understanding of the impacts to the real time desk operating in a 5 minute market and the back office personnel who settle all the energy transaction on a monthly basis.

As resource planning is ongoing and dynamic, staff continues to move forward with the approaching next phase of the Carbon Free Power Project (Small Modular Nuclear Reactor) and a Power Purchase Agreement, comprised of a wind and solar project here in New Mexico. We anticipate that both of these projects will come before Board and Council within this fiscal year of 2020.

Staff will have more information on PNM's participation in the CAISO EIM and its impacts on Los Alamos County's daily power operations including the development of new generating assets and the potential signing of a PPA.

Alternatives

None

Fiscal and Staff Impact/Planned Item

None

Attachments

A - Los Alamos Power Resource Planning Challenges and Opportunities