



Presentation to County Council

Robert Gibson, Chair
July 23, 2024

Board Members



Member

Position

Term Ends

Robert Gibson

Chair

2028

Eric Stromberg

Vice Chair

2025

Steve Tobin

Member

2024

Matt Heavner

Member

2026

Charlie Nakhleh

Member

2027

Senior Management



Philo S. Shelton, III
—
Utilities Manager

Deputy Utility Managers



James
Alarid
—
Engineering
Division



Ben
Olbrich
—
Electric
Production



Stephen
Marez
—
Electric
Distribution



Clay
Moseley
—
Gas, Water
and Sewer
Services



Karen
Kendall
—
Finance and
Administration

Department Staffing is Stable

- **Safety Record** – few issues
- **Staffing** – essentially fully staffed
- **Turnover** – reduced to normal levels, primarily retirements
- **Experience** – improving; near normal levels overall; GWS inexperienced

Recent Activity and Where We Are Today

DPU is a Big Enterprise

- Four utilities: electricity, natural gas, water, and wastewater services (including DOE/LANL)
- Employees: 108 FTEs
- Budget: \$101M/yr
- Assets: \$217M

Improvements to the Wastewater System Continue

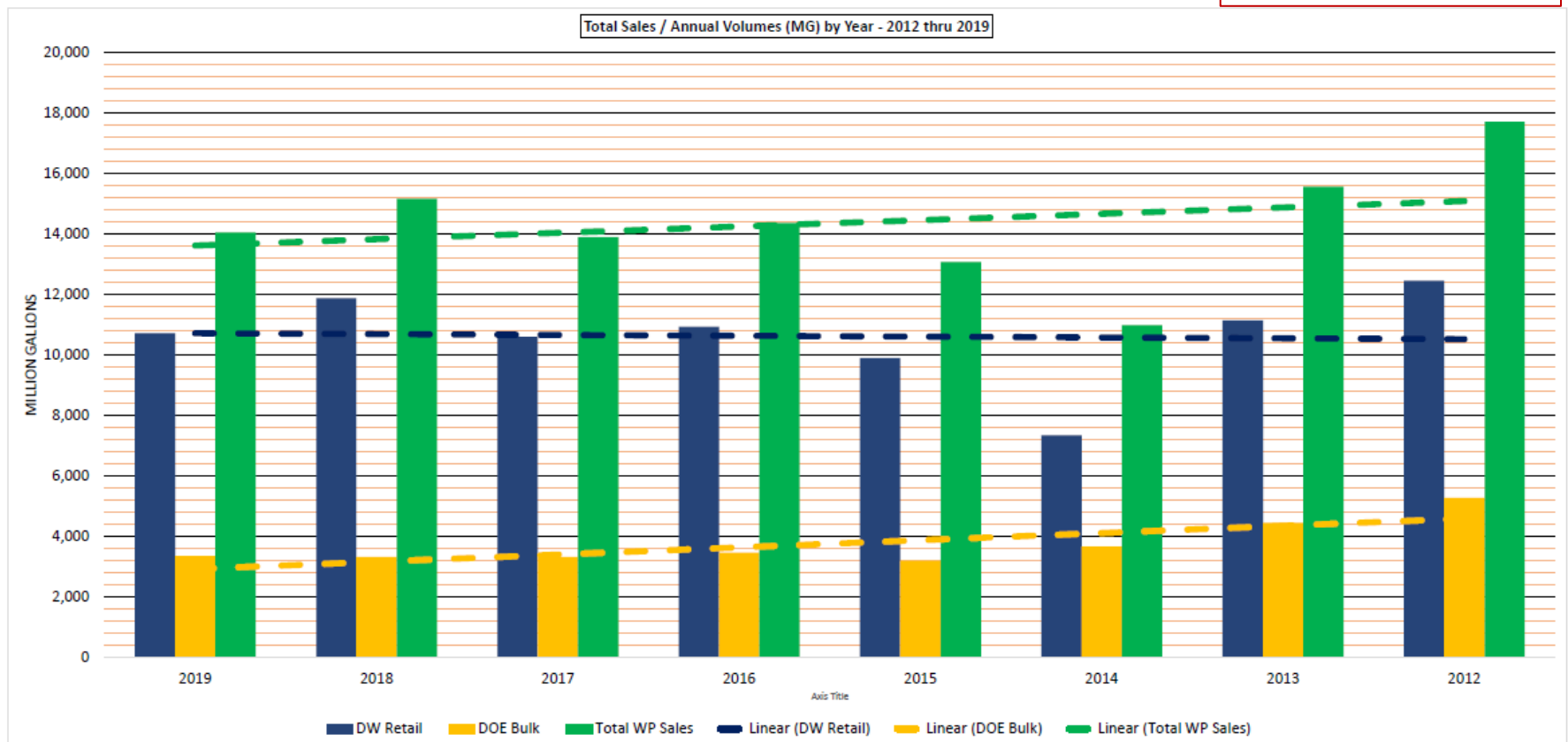
- No unusual maintenance or operations issues
- White Rock Water Resource Reclamation Facility (WR-WRRF) to be complete in August – we will be in compliance
- All WR effluent (Class 1A) available for reuse
- Upgrades to LA WWTP
- Bayo Lift Station elimination in progress



Water Use is Declining

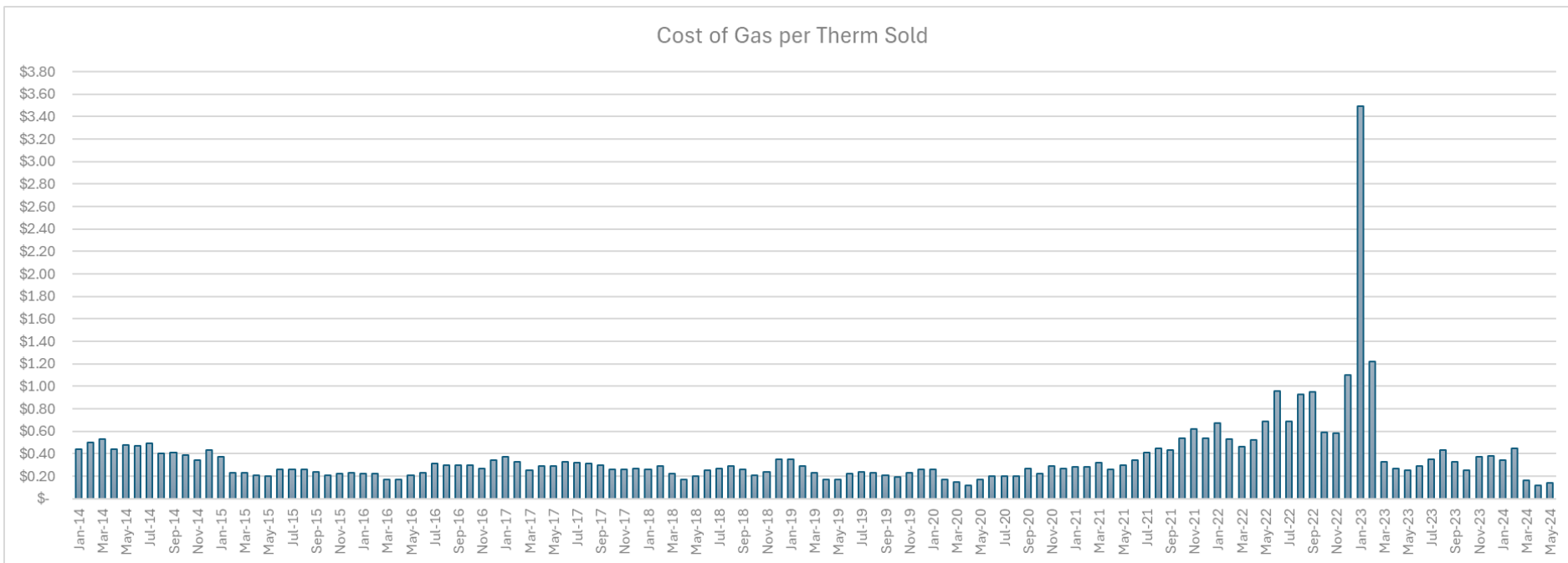
- Chromium Plume Migration
- Quemazon Valve Leaks – Replacing all similar bolts

NOTE: Chart will be updated with info for 2020 to present.



The Natural Gas System is Stable

- No unusual maintenance or operational issues
- Commodity Costs stabilized – for now
- Modest rate increases programmed
- The prior increases were planned at 3% in FY2025 and 2% in FY26.
- Proposed increase is 5.5% for FY25 and again for FY26



Electric Production Transition is Bumpy

- Abiquiu outage for 75 days and estimated loss of 9610 MWh of generation
- El Vado inoperable through 2026? for dam refacing
- Uniper defaulted - contract terminated; Mercuria replacement in place
- Carbon Free Power Project (CFPP) abandoned
- Foxtail Flats – 170 MW solar; 320 MWh battery; scheduled for 2026

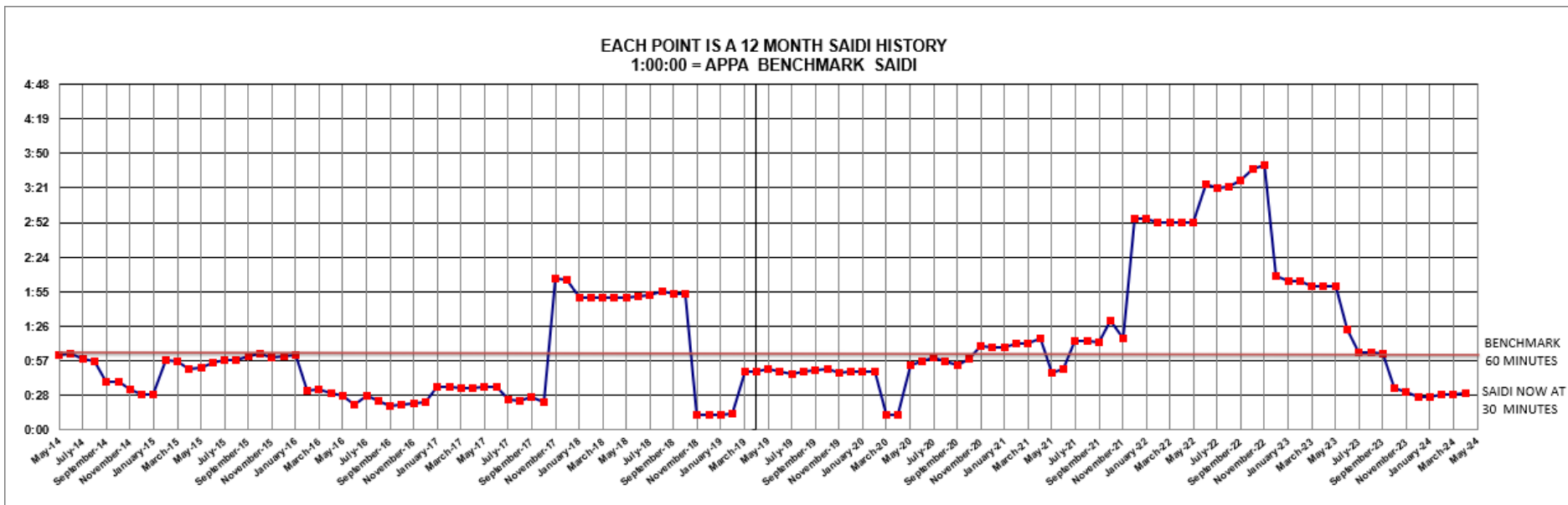
(Many eggs in that basket; watch closely.)

Electric Distribution

- No unusual maintenance or operations issues
- SAIDI = 30 minutes
- Los Alamos Switch Station (LASS) on-line in calendar year 2024 – doubles townsite circuits
- Most frequent reliability problem:
 - Direct-bury underground cable
 - Accelerated 10-year replacement program initiated in fiscal year 2024
- Seeking new, more flexible billing software – possible time-of-use rates

Electric Distribution - Reliability

System Average Interruption Duration Index (SAIDI)
= yearly average customer outage time



Most Recent 10 Years

Challenges Going Forward



- Keep lights on - gas, water, wastewater flowing as/where intended
- Otherwise - strategic issues are primarily electric

Achieving Carbon-Neutral Supply

Requires new/diverse sources:

- Nuclear?
- More PV? (San I?)
- Storage?
- Geothermal?
- Other?

New & Increased Demands

EV charging will require more supply and new distribution

- How much supply?
- Where (chargers and distribution system lines)?
- Policies, pricing, & payment
- Study this FY (Sust. Coord + DPU + PW)



New & Increased Demands

Building electrification will require changes to every occupied building

- Cooking – Conversion to induction stovetops
- Hot Water – Solar or heat pump water heaters (not quite on market)
- Space – Conversion to heat pumps (starting to happen)
- Reduce building artificial heat needs
 - New Construction -- Compact architectures/solar heat
 - New & Remodeled -- Reduce leakage: better insulation, windows, doors
- Education, encouragement, & support vs. mandates & subsidies



New & Increased Demands



New Electric Distribution System Required (DPU Study in FY25)

- Near-term upgrades in context of long-term design
- Stay ahead of demand for both EVs and buildings
- Anticipate costs

Summary

DPU is in good shape presently with decarbonization challenges ahead

- Safety, personnel, budgets stable
- Wastewater, water, sewer, electric systems operating nominally
- Seeking new, diverse carbon-free electrical resources
- EV charging & building electrification will require new supply and distribution – being studied now
- Building artificial heat needs MUST be reduced

LOS ALAMOS

Board of Public Utilities



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Questions?