



# County of Los Alamos

## Staff Report

November 25, 2014

Los Alamos, NM 87544  
www.losalamosnm.us

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<b>Agenda No.:</b>	D.
<b>Index (Council Goals):</b>	2014 Council Goal - Economic Vitality – Collaborate with LANL as the Area's No. 1 Employer, and Support Associated Spinoff Businesses
<b>Presenters:</b>	Bob Westervelt, Deputy Utility Manager-Finance & Admin.
<b>Legislative File:</b>	6572-14

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### Title

Approval of Modification 19 to the Electric Energy and Power Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the Department of Energy (DOE).

### Recommended Action

**I move that Council approve this Modification 19 to the Electric Energy and Power Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the Department of Energy (DOE).**

### ..Utilities Manager Recommendation

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

### Board, Commission or Committee Recommendation

If approved at the November 19th, 2014 meeting, the Board of Public Utilities recommends that Council approve the motion as presented.

### 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.

Modification 18 to the ECA was signed in April 2014. Modification 18 established the County's right to remove an asset from the pool for sale (of either the resource itself or the output from it) to a third party, and established a new term of five years with five one year options, with 90 days' notice of intent to exercise each option. This notice requirement is impractical, as ninety days is not enough time for either party to seek alternatives. Twenty-four to thirty six months would be required for an orderly close out should the parties decide to discontinue the ECA. It was recommended at that time, in order to lock in the five year extension, to proceed with MOD18 as proposed and address the notice requirement with a subsequent mod 19 within the next three years. The proposed MOD19 addresses that issue by replacing the term with a straight ten year term, and provides for either party to request negotiation for a new or extended contract at any

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time before that term expires.

The proposed MOD19 also includes specifics and details about existing debt for Pool assets. The 2014 debt issuance was discussed and approved by the parties through the 24 month budget process, but at LANL expressed a desire to "formalize" that process by inclusion in the contract.

The classification of expenditures and treatment for Pool accounting purposes is covered through various clauses and exhibits to the contract. Language in this MOD19 clarifies and brings together these issues in a single place for clarity.

Finally, the treatment of the PV at the landfill is formalized. MOD17 made the Los Alamos Solar Project (LASP) a Pool approved resource upon completion of the research initiative and transfer of ownership to the County. The proposed MOD19 establishes the mechanism and timing of that process now that ownership of the project assets has been transferred.

#### **Alternatives**

Council could elect not to accept the proposed MOD19, in which case the "problematic" term issues would not be resolved, the language intended to enhance clarity would not be incorporated and would require further negotiation.

#### **Fiscal and Staff Impact/Planned Item**

There is no immediate staff or fiscal impact. The proposed fixed term and the flexible renewal provision provides for more effective long term planning. The remaining clauses proposed are intended to add clarity.

#### **Attachments**

A - Proposed Mod 19 to the ECA



# County of Los Alamos

## Staff Report

May 01, 2018

Los Alamos, NM 87544  
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**Agenda No.:** G.

**Index (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, Deputy Utility Manager-Finance & Admin.

**Legislative File:** 10708-18

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### Title

Approval of Revision to 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 Recommendation

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

### Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the motion as presented.

### Body

MOD 20 to the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy was initially drafted and approved by the Operating Committee, the BPU, and the County Council, in June and July of 2017. When submitted to the NNSA Contracting Officer, she elected to delete one clause from the approved agreement, necessitating that the revised agreement be re-approved by the Operating Committee, BPU, and Council.

The change by the CO was to entirely remove proposed Article XVIII dealing with consideration of future resources. While the proposed language was useful for clarity, it in fact simply articulated in the contract what is essentially current and historical operational practice anyway, so is not crucial to moving forward. The summary of that language from the July 2017 staff report is shown in "strikethrough" below. The revised MOD was approved via E-Mail vote by the Operating Committee on April 3, 2018.

A summary of the proposed MOD from the July 2017 Agenda Item follows.

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

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throughout this discussion and the MOD document). 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 LANL has accounted for approximately 80% of the load.

The attached MOD20 to the Electric Coordination Agreement was initially approved by the Operating Committee on ~~June 1, 2017~~ April 3, 2018. The changes were 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 NNSA’s initial participation in the Carbon Free Power Project through the Power Pool ~~and the treatment of exploration of future resources are~~ is 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**

The 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**

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

#### **Attachments**

A - MOD 20 as approved by the CO



# County of Los Alamos

## Staff Report

January 28, 2020

Los Alamos, NM 87544  
www.losalamosnm.us

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**Agenda No.:** B.

**Index (Council Goals):** \* 2019 Council Goal - Investing in Infrastructure

**Presenters:** Bob Westervelt, Deputy Utility Manager-Finance & Admin.

**Legislative File:** 12569-20

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### Title

Approval of Modification 21 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 21 to the Electric Coordination Agreement as presented.**

### Utilities Manager's Recommendation

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

### Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the modification as presented.

### Body

The Power Pool was established through the Electric Energy and Power 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.

Los Alamos is considering entering into a purchased power agreement with Uniper Global Commodities for 15 MW Firm Power. The offering is for a primarily renewable resource, yet is offered as a firm, around the clock product, at a very competitive fixed price point of \$36.67/MWh with no escalator for the fifteen year life of the PPA. This project was initially discussed with the Operating Committee at the October 30, 2019 Operating Committee meeting and the attached MOD21 to the Electric Coordination Agreement recognizing the project as a Pool Approved Resource was approved by the Operating Committee on January 7, 2020.

### Alternatives

If the proposed MOD 21 is not approved but Los Alamos elects to proceed with the Uniper agreement, MOD 18 to the ECA specifies that "Should the County take on new assets, the

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cost of such assets will be the sole responsibility of the County unless negotiated and agreed to by the NNSA Contracting Officer". Pool load would be served by Pool Approved Resources and Market Purchases with cost share as determined by the existing cost sharing formula for demand and energy, and the power acquired through the Uniper agreement would have to be marketed externally. The proceeds of such marketing would be attributed to and benefit the County exclusively. The County would enjoy all of the benefit if market prices are higher than the PPA cost of the resource, but also would bear all of the risk of potentially lower prices. Recent market prices have ranged from \$25 off peak to \$115 on peak.

#### **Fiscal and Staff Impact/Planned Item**

Fiscal impacts are discussed under "Alternatives" above. Marketing of the power instead of scheduling to load would take some staff effort, but would fall under existing Power Scheduler responsibilities. It is not expected that additional staff resources would be required.

#### **Attachments**

A - Proposed ECA Mod 21 Approved by the Operating Committee



# County of Los Alamos

## Staff Report

August 31, 2021

Los Alamos, NM 87544  
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**Agenda No.:** D.

**Index (Council Goals):** \* 2021 Council Goal - Investing in Infrastructure; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services; DPU FY26 - 2.0 Achieve and Maintain Excellence in Financial Performance

**Presenters:** Steve Cummins

**Legislative File:** 14661-21

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### Title

Approval of Modification 22 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 County Council approve Modification 22 to the Electric Coordination Agreement as presented.**

### Board, Commission or Committee Recommendation

The Board of Public Utilities endorsed this request on August 18, 2021 and recommends that the County Council approve the motion as presented.

### 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 MOD22 to the Electric Coordination Agreement was approved by the Operating Committee on March 16, 2021. The previous MOD 20 formally clarified that as the registered Transmission Owner and Operator (TO/TOP), responsibility for Western Area Coordinating Council (WECC) compliance lies with NNSA. To support and facilitate that responsibility, this MOD 22 formally transfers responsibility for operations of the Supervisory Control and Data Acquisition (SCADA) system and the Backup Control Center to NNSA and specifies each party's responsibilities in continued operations and reporting for the facilities; and specifies that all costs associated with such operations are includable costs under the ECA. This MOD also adjusts for the costs of the Uniper Contract, accepted as a Pool Approved Resource in MOD 21, to reflect a price adjustment approved by Los Alamos County when the Uniper contract was executed.

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### **Alternatives**

Council could elect not to accept the proposed MOD22, in which case the parties would have to continue negotiations to address these matters.

### **Fiscal and Staff Impact**

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

### **Attachments**

A - DE-AC04-85AL26078 Mod 022 with Attachment A





# County of Los Alamos

## Staff Report

September 27, 2022

Los Alamos, NM 87544  
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**Agenda No.:** A.

**Index (Council Goals):** \* 2022 Council Goal - Investing in Infrastructure; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services; DPU FY26 - 6.0 Develop and Strengthen Partnerships

**Presenters:** Heather Garcia, Deputy Utility Manager-Finance & Admin.

**Legislative File:** 15885-22

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### Title

Approval of Modification 23 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 Modification 23 to the Electric Coordination Agreement as presented.**

### ..Utilities Manager Recommendation

The Utilities Manager recommends approval of the motion as presented.

### Board, Commission or Committee Recommendation

The Board of Public Utilities reviewed this recommendation at their regular meeting on September 21, 2022 and unanimously recommends that Council approve the motion as presented.

### 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 MOD 23 to the Electric Coordination Agreement was approved by the Operating Committee on September 8, 2022. MOD 23 approves AGR22-928 Uniper 25MW contract as a pool approved resource. Allowing for the inclusion and billing of the contract costs into the power pool billing. This MOD also reflects the This MOD adjusts for the costs of the Uniper Contract to reflect a price adjustment approved by Los Alamos County when the Uniper contract was executed.

### Alternatives

Council could elect not to accept the proposed MOD 23, in which case the parties would have to continue negotiations to address these matters.

### Fiscal and Staff Impact

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There is no immediate staff or fiscal impact, however, the contract with Uniper for the 25MWs has already been approved and executed. If MOD 23 is not approved then the county would not be able to recover funds. The clauses proposed are intended to add clarity as to the matters covered..

**Attachments**

A - DE-AC04-85AL26078 Mod 023



# County of Los Alamos

## Staff Report

April 08, 2025

Los Alamos, NM 87544  
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<b>Agenda No.:</b>	E.
<b>Index (Council Goals):</b>	Quality Excellence - Effective, Efficient, and Reliable Services; Quality Governance - Intergovernmental and Regional Relations; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services; DPU FY26 - 2.0 Achieve and Maintain Excellence in Financial Performance; DPU FY26 - 6.0 Develop and Strengthen Partnerships
<b>Presenters:</b>	Philo Shelton, Utilities Manager
<b>Legislative File:</b>	19948-25

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### Title

Approval of Modification 24 to Extend the Contract Term by Six-Months of the Electric 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 Modification 24 to extend the contract term by six-months of the Electric Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the Department of Energy (DOE).**

### Utilities Manager's Recommendation

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

### Board, Commission or Committee Recommendation

The Board of Public Utilities approved this request at their work session on April 2, 2025 and recommends that Council approve as presented.

### 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 proposed Modification (MOD) 24 adds six months to the current agreement. If approved, then the new expiration date will be December 31, 2025. This will allow time for DOE to complete their contracting process to present back to the county.

The Los Alamos Power Pool met on March 27th and approved this MOD 24.

### Alternatives

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The Board could elect not to accept the proposed MOD 24, and the current agreement would expire June 30, 2025.

**Fiscal and Staff Impact/Planned Item**

There is no immediate staff or fiscal impact.

**Attachments**

A - ECA Mod-24