



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities Work Session

1000 Central Avenue
Los Alamos, NM 87544

*Robert Gibson, Chair; Eric Stromberg, Vice-chair;
Matt Heavner, Charles Nakhleh, and, Steve Tobin, Members;
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Theresa Cull, Council Liaison*

Wednesday, March 6, 2024

5:30 PM

Municipal Bldg., Council Chambers

Public Participation: In person or <https://us06web.zoom.us/j/89412512522>

1. CALL TO ORDER

This work session of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, March 6, 2024 at 1000 Central Ave., Council Chambers. Members of the public were notified of the ability to attend and provide public comment either in person or over Zoom. Board Chair Robert Gibson called the meeting to order at 5:32 pm. The following board members were in attendance:

Present 6 - Members Heavner, Nakhleh, Tobin, Gibson, Shelton, and Laurent
Absent 1 - Member Stromberg

2. PUBLIC COMMENT

Chair Gibson called for public comment on any item. There was none.

3. APPROVAL OF AGENDA

Chair Gibson called for discussion or a motion to approve the agenda.

Member Nakhleh moved and Member Tobin seconded that the agenda be approved as presented. The motion passed by the following vote:

Yes: 4 - Members Heavner, Nakhleh, Tobin, and Gibson
Absent: 1 - Member Stromberg

4. PRESENTATIONS

4.A. 18157-24 LANL Presentation on "Net Zero Emissions Planning & Implementation"

Mr. Shelton, Utilities Manager introduced Mr. Jesse Freedman, the Net Zero Program Manager - Utilities & Infrastructure at LANL. A copy of Mr. Freedman's presentation was included in the meeting packet.

Member Tobin spoke.

Member Gibson spoke.
Ms. Kendall spoke.
Mr. Shelton spoke.
Member Heavner spoke.
Member Nakhleh spoke.

No action was taken on this item.

4.B. 16956-24 UNM Electricity Grid Research Results

Ms. D'Anna introduced the UNM Department of Economics research team:
Janie Chermak, Professor & Chair, Department of Economics
Zuzia Olszowka, Professor of Economics and PhD Student
Yuting Yang, Assistant Professor of Economics

Professor Chermack provided a brief overview of the project: The Department of Public Utilities (DPU) and the University of New Mexico Department of Economics partnered in an electric grid research project, "Smart Meters and Household Characteristics: Estimating load profiles and changes in consumption behavior." Ms. Olszowka led the presentation. A copy of the presentation slides were included in the meeting packet.

Member Heavner spoke.
Member Nakhleh spoke.
Dr. Chermak spoke.
Dr. Yang spoke.
Member Tobin spoke.
Member Gibson spoke.

No action was taken on this item.

5. BUSINESS

5.A. 18478-24 Action to Suspend Procedural Rules for Work Session

Chair Gibson called for discussion or a motion to suspend procedural rules.

Member Tobin moved and Member Nakhleh seconded that the Board of Public Utilities suspend their procedural rules for the March 6, 2024 work session so that formal action may be taken. The motion passed by the following vote:

Yes: 4 - Members Heavner, Nakhleh, Tobin, and Gibson
Absent: 1 - Member Stromberg

5.B. 18476-24a Approval of the Termination and Settlement Agreement and Release of Claims between the Incorporated County of Los Alamos, New Mexico, and

Uniper Global Commodities North America LLC

Mr. Shelton, Utilities Manager reviewed the history of the agreements between Los Alamos County (LAC) and Uniper Global Commodities North America LLC (UGCNA.) He also led the discussion on the items that LAC and UGCNA agreed to under the Termination and Settlement Agreement and Release of Claims.

Member Tobin spoke.

Member Tobin moved and Member Heavner seconded that the Board of Public Utilities approve the Termination and Settlement Agreement and Release of Claims between the Incorporated County of Los Alamos, New Mexico, and Uniper Global Commodities North America LLC, and forward to Council for approval.

The motion passed by the following vote:

Yes: 4 - Members Heavner, Nakhleh, Tobin, and Gibson

Absent: 1 - Member Stromberg

5.C. AGR1028-24a Approval of a Short-term Power Purchase Agreement to Replace the Uniper Agreements

Mr. Shelton, Utilities Manager provided background information on the research for replacement power. Mr. Olbrich, Deputy Utilities Manager - Power Supply led the discussion. In summary, if the BPU and County Council approve the Termination and Settlement Agreement and Release of Claims between the Incorporated County of Los Alamos, New Mexico, and Uniper Global Commodities North America LLC, then the DPU will need to secure a new source for the 40 MW of firm, around-the-clock power that is being lost from Uniper. Given the short time available to secure the new source of power and the current favorable pricing, DPU is seeking to enter into a short-term Power Purchase Agreement (PPA) to begin replacement power delivery on April 1, 2024, and end no later than February 28, 2026, for 40 MW of firm power, delivered to Four Corners 345kV or San Juan 345kV. The end date is selected to align with the planned Phase 1 power delivery from the Foxtail Flats Solar and Storage agreements. This replacement power will not be renewable or come with any Renewable Energy Certificates.

Member Heavner spoke.

Member Tobin spoke.

Member Gibson spoke

Chair Gibson provided an opportunity for public comment; there was none.

Member Tobin moved and Member Nakhleh seconded that the Board of Public Utilities approve a Power Purchase Agreement with Mercuria Energy America, LLC, in the amount of \$51,334,560.00 and a contingency in the amount of \$3,690,720.00, for a total of \$55,025,280.00, plus applicable gross receipts tax, for the purpose of buying power and energy to serve the Los Alamos Power Pool's electric load, and forward to Council for approval. The motion passed by the following vote:

Yes: 4 - Members Heavner, Nakhleh, Tobin, and Gibson

Absent: 1 - Member Stromberg

5.D. 17994-24 Annual Update on Water System

Mr. Moseley, Deputy Utilities Manager - GWS Services presented an update on the water system. This year's report is similar in scope and format to previous reports; including primary performance measure dashboard data, with trends and comparisons to national standards and DPU goals (Conservation, Strategic Plan & Budget). Discussion including both the physical and financial condition of the water system sub-systems: Water Distribution (DW), Water Production (WP) and Non-Potable (NP) System as well as the overall Water Fund itself are reported. Also included are recent AMT (Asset Management Team) achievements and challenges and some significant planned near-term future O&M Goals, Action Items and Major Projects.

Member Tobin spoke.

Mr. Shelton spoke.

Ms. Kendall spoke

Member Nakhleh spoke.

Member Heavner spoke.

No action was taken on this item.

5.E. 17974-24 Discuss BPU Booth at Farmers Market

Chair Gibson acknowledged County Manager Laurent's presence in her new role. He then introduced the topic. The board agreed to have more of a public presence. Beginning in 2024 it was suggested that members begin manning a booth at Farmer's Market in order to meet customer and listen to concerns. County Council has a booth set up on the last Thursday of the month except for the month of August when the booth is set up during the County Fair week, Thursday, August 8, 2024. Chair Derkacs offered that BPU is welcome to join the County Council at their booth. The schedule posted on the Farmer's Market website is:

Spring to Fall: May - October

Location: Ashley Pond Park

Thursdays: 7 AM - 12:30 PM

Saturdays: 8 AM - 12 PM

Vice Chair Derkacs reported that Council is usually manning the table from 9:00 - 11:00 am. Typically there are two Councilors present. Staff are also present at their own booths for the entire time. There is the possibility of providing handouts. Usually Councilors address comments from citizens. Member Gibson is not available in April, but open to attending at other times.

No action was taken on this item.

6. PUBLIC COMMENT

Chair Gibson called for public comment on any item. There was none.

7. ADJOURNMENT

The meeting adjourned at 8:48 pm

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board