

Utility Manager's Report
April 21, 2021

1. Last night, County Council tentatively approve DPU's FY 23 budget. I would like to thank the Board and staff for all their hard work in preparing this budget.
2. Uniper has secured the New Mexico renewable resources identified in the Amendment Power Purchase Agreement and this power should be available in the first quarter of calendar year 2022 prior to the retirement of San Juan Generating Station. A coordinated press release is forthcoming.
3. NNSA is holding a public hearing regarding the planned third transmission line and the announcement with meeting details are on the last page of my report. The meeting intent is to prepare an environmental assessment (EA) to upgrade the Laboratory's electrical power capacity by constructing and operating a new 115 Kilovolt power transmission line and by upgrading LANL's existing electrical infrastructure. To date we do not have the cost breakout between the transmission line and electrical upgrades.

LANL and Los Alamos County, currently depend upon two power transmission lines to import electrical power. Full redundancy is required for power transmission to ensure reliability during maintenance, fault events, or contingencies. In addition, LANL's peak seasonal power demand is projected to exceed the established operating limits for the existing transmission lines by 2026.

The proposed transmission line would originate at PNM's Norton Substation located on public lands managed by the U.S. Department of Interior, Bureau of Land Management (BLM). The proposed transmission line would proceed southwesterly crossing the Caja del Rio public land managed by the SFNF, ultimately spanning White Rock Canyon onto DOE/NNSA-managed lands at LANL. The proposed transmission line would have a total length of approximately 12.5 miles, all of which are located on federally-managed lands.

The Electrical Power Capacity Upgrade (EPCU) project will bolster LANL supercomputing capabilities into the post-Exascale era. It will upgrade the existing transmission system to provide the capacity and reliability to meet mission needs for future electrical demands. Importantly, the EPCU will increase the power coming to the Laboratory from 116 MW to 200 MW with a stretch goal of 233 or 266 MW.

The project is being managed by LANL and based on today's cost sharing agreement as an approved resource with the Electric Coordination Agreement the County would pay their pro-rata share based on energy demand. This new line is several years out from being built

so it will be under the new terms and conditions in the post 2025 ECA. Our understanding is the design will occur over the next two years with a planned construction to occur no earlier than 2024 with completion prior to 2026 when the forecasted load increases will exceed the current import capability in 2026. With LANL's increased load the County's share of the cost would be less than the 20% we pay today for the two existing lines, however, with the associated debt service and O&M for the new third line, it would increase our transmission costs initially until additional load is brought on-line based on today's terms and conditions. Staff will be seeking a fair cost sharing arrangement in the POST 2025 ECA.

4. The DPU supervision team continue to hold weekly meetings regarding our response to COVID-19 issues. The County remains at the turquoise level and there has been no new guidance that would allow for lifting additional restrictions. The Customer Care Center opened on April 5th with the counter hours from 10 AM until 4 PM.
5. The AMI Contractor has as of last Friday installed 5,287 water end points, 421 electric meters, and 144 gas end points. All the notice letters have been mailed and to date we have 131 customers who choose to opt out.
6. Yesterday, UAMPS held a project management committee meeting for the CFPP and discussed the project cost estimates and the 8-module arrangement is more cost effective. UAMPS is pursuing an operator to review the operation expenses and seeking low interest loans from DOE before running the next economic competitive test. UAMPS received a letter of intent for an additional 25 MW of subscription in the project.
7. Staff continues to work with NMED and Laboratory to cleanup an area of the soil containing the oil of approximately 1.2 cubic yards of soil located next to Otowi Well #4 at DP Los Alamos Canyons confluence. Staff is working on closeout documentation provided some sampling data results for NMED to review.
8. The Parjarito Road water supply line cured in place pipe was completed and it is now in service.
9. Attended the LANL Legacy Cleanup Technical Working Group and we discussed the additional wells to be drilled this year at the chromium plume.
10. Applications for the expiring BPU position on June 30th are due April 30th.
11. Presented BPU's new environmental goals at a PEEC evening on-line event and answered questions regarding its implementation.

From: Valteau, Margeau <margeau.valteau@nnsa.doe.gov>

Sent: Thursday, April 15, 2021 9:40 AM

To: Burgess, Harry <harry.burgess@lacnm.us>

Subject: [EXTERNAL]Environmental Assessment for the Los Alamos National Laboratory Electrical Power Capacity Upgrade Project

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Harry,

The U.S. Department of Energy (DOE) National Nuclear Security Administration (NNSA) is announcing its intent to prepare an environmental assessment (EA) pursuant to the National Environmental Policy Act of 1969 (NEPA) to upgrade the Los Alamos National Laboratory (LANL) electrical power capacity. The proposed EA will include constructing and operating a new 115 kilovolt (kV) power transmission line and upgrading LANL's existing electrical infrastructure.

LANL and Los Alamos County, New Mexico currently depend upon two power transmission lines to import electrical power. Full redundancy is required for power transmission to ensure reliability during maintenance, fault events, or contingencies. In addition, LANL's peak seasonal power demand is projected to exceed the established operating limits for the existing transmission lines by 2026. The DOE/NNSA and the U.S. Forest Service Santa Fe National Forest (SFNF), as co-lead agencies, are initiating the public scoping process for the Electrical Power Capacity Upgrade (EPCU) project EA, and the associated project-specific amendment to the SFNF 1987 Land and Resource Management Plan. The agencies are requesting public comments regarding potential environmental impacts they should consider in preparation of the EA for the proposed project.

The notice is available in the NNSA NEPA Reading Room at: <https://www.energy.gov/nnsa/nnsa-nepa-reading-room>. The Draft EA, when available will also be posted on this website.

Written comments are due to the email address EPCUEA@nnsa.doe.gov or submitted online at [EPCU EA Project Website](#) no later than May 21, 2021. Comments may also be made at the virtual EA scoping meeting to be held on May 6, 2021, at <https://tinyurl.com/EPCUEA> from 6:00 p.m. to 8:00 p.m. MDT (Scoping Meeting Phone Number: 1-408-418-9388 Access Code: 132 576 9249).

Please let me know if you have any questions.

Sincerely,

Margeau Valteau

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