



## Council Meeting Staff Report

May 15, 2024

<b>Agenda No.:</b>	7.b.
<b>Indexes (Council Goals):</b>	Quality Governance - Fiscal Stewardship, DPU FY2022 - 2.0 Achieve and Maintain Excellence in Financial Performance
<b>Presenters:</b>	Ben Olbrich; Karen Kendall
<b>Legislative File:</b>	18392-24a

### Title

Overview of the ECA Budget Process and Approval of DOE/LAC Resource Pool Budget for Fiscal Years 2025 & 2026

### Recommended Action

**I move that the Board of Public Utilities recommend approval of the 2025-26 Resource Pool budget as presented and forward to the County Council for their review and consideration.**

### Utilities Manager Recommendation

The Utilities Manager recommends that the board approve the budget as presented and forward to Council for their review and consideration.

### Body

The Electric Energy Coordination Agreement (ECA) between the County of Los Alamos and the Department of Energy requires that a 24-month budget be approved each year. The budget process begins with both parties preparing a load projection by month for the budget period. Based on the load projections, the Power Supply division prepares a resource supply projection that matches the available resources to the projected loads and estimates the variable costs for County owned resources and purchased power. Finally, costs for projected generation, purchases, and transmission are allocated to the parties based on the terms of the ECA.

The projected power pool total costs per MWh are \$73.74 and \$72.52 for fiscal years 2025 and 2026, respectively. Costs to the LAPP participants vary due to each party's load factors. The projected costs to the County per MWh are \$87.17 and \$78.88 for fiscal years 2025 and 2026, respectively. This budget was approved by the Operating Committee on April 23, 2024.

### Alternatives

Due to the fact that certain costs are billed to the participants as budgeted (fixed charges associated with the various resources) and reconciled in the next budget cycle, if this budget is not approved by the Board and Council, significant adjustments will be needed to reconcile actual billings with the budget once a budget is approved.

### Fiscal and Staff Impact

None. DPU's expenditure authority for purchased power costs is incorporated into the budget approved by the Utilities Board and County Council during the normal County budget cycle. Approval of this Resource Pool budget is a contractual requirement of the ECA. The Resource Pool budget may differ somewhat from the purchased power expenditure authority requested by DPU during the normal County budget cycle due to timing differences in the budget cycles.

### Attachments

- A - Resource Pool 24-month Budget Package FY25-26
- B - Overview of ECA Budget Process