



Council Meeting Staff Report

May 28, 2024

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

Title

Approval of DOE/LAC Resource Pool Budget for Fiscal Years 2025 & 2026

Recommended Action

I move that Council approve the 2025-2026 Resource Pool Budget as presented.

Utilities Manager Recommendation

The Utilities Manager recommends approval of this 2025-2026 Resource Pool Budget as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities reviewed this budget at their regular meeting of May 15, 2024 and recommends that Council approve this 2025-2026 Resource Pool Budget as presented.

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. Los Alamos costs include approximately \$2.5 million for the Vertical Breaker Project which is not a pool expense. 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