

Council Meeting Staff Report

January 20, 2021

Agenda No.:	6.B
Indexes (Council Goals):	DPU FY26 - 1.0 Provide Safe and Reliable Utility Services, DPU FY26 - 6.0 Develop and Strengthen Partnerships
Presenters:	Steve Cummins
Legislative File:	13559-20

Title

Approval of Agreement No. 20-RMR-3182 with Western Area Power Administration (WAPA) for Balancing Services Agreement

Recommended Action

I move the Board of Public Utilities approve Agreement 20-RMR-3182 with Western Area Power Administration for Balancing Services and forward to Council for approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

Los Alamos County must be a party in this agreement due to its Purchase Power Agreement with Lincoln Electric for Laramie River Station Generation. Prior to 2020 the Western Interconnect only had one Reliability Coordinator, when this Reliability Coordinator announced its dissolution a series of shifts took place. WAPA has undertaken a few different approaches. The first was an attempt to create a Regional Transmission organization with entities throughout the Rocky Mountain Region. This effort did not come to pass. WAPA's second option was to choose a new Reliability Coordinator from outside the Western Interconnect and introduce an Energy Imbalance Service very similar to the established Western Energy Imbalance Market (WEIM) provided by California Independent System Operator. This new WAPA market offering is called the Western Energy Imbalance Service (WEIS). In addition to the new Reliability Coordinator and new Market, WAPA has also joined a new reserve sharing group called the Northwest Power Pool (NWPP). The NWPP contract requirements differ from the reserve sharing group that existed before.

The inception of the new Reliability coordinator, the WEIS, and the entry into the NWPP has caused WAPA to strive for consistency, and uniformity. WAPA is also trying to ensure costs are aligned with the different products and services they are providing. The Balancing Area Services Agreement is WAPA's solution to these issues. It is an outline of expectations and the types of services that have been subscribed to by the customers. From Staff's perspective this agreement only formalizes the services requested from WAPA and services for which we are exempt. Los Alamos County's obligations do not change under this agreement. Prior to this, each subscription was managed separately and the exemption for the requirement of reserves was never formalized.

Alternatives

There are no alternatives. WAPA is the Balancing Authority for Laramie River Station, their Tariff has been approved at FERC which obligates us to pay the most current rates. This agreement does not change Los Alamos County's obligations, it lays them out in one place which eases tracking and formally list exemptions for required services.

Fiscal and Staff Impact

The cost of this service was included in Electric Productions fiscal year budget. The time staff spent on this effort is considered normal business in Electric Production Operations. This effects Power Operation much like the WEIM which is currently being implemented, however it is on a much smaller

scale due Los Alamos only having Generation in WAPA's Balancing Area.

Attachments

A - 20-RMR-3182 Los Alamos BASA

B - 20-RMR-3182 Los Alamos Exhibit A