

Council Meeting Staff Report

August 31, 2021

Agenda No.:	D.
Indexes (Council Goals):	* 2021 Council Goal - Investing in Infrastructure, DPU FY2022 - 1.0 Provide Safe and Reliable Utility Services, DPU FY2022 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters:	Steve Cummins
Legislative File:	14661-21

Title

Approval of Modification 22 to the Electric Energy and Power Coordination Agreement (ECA) Between the Incorporated County of Los Alamos and the United States Department of Energy (DOE).

Recommended Action

I move that County Council approve Modification 22 to the Electric Coordination Agreement as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities endorsed this request on August 18, 2021 and recommends that the County Council approve the motion as presented.

Body

The Power Pool was established through the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy in 1985. (Note: In 2002 the National Nuclear Security Administration was established as a branch of the Department of Energy and took over responsibility for the ECA. The acronyms NNSA, DOE, and LANL may be used interchangeably throughout this discussion). Through the contract, both parties contribute the power from and costs of each of the respective "Pool Approved Resources" into the Pool, and those costs are then allocated back to the parties pro rata according to each party's usage. The contract has been renewed continuously since 1985. Historically the County has contributed approximately 75% of the resources, while the Lab has accounted for approximately 80% of the load.

The attached MOD22 to the Electric Coordination Agreement was approved by the Operating Committee on March 16, 2021. The previous MOD 20 formally clarified that as the registered Transmission Owner and Operator (TO/TOP), responsibility for Western Area Coordinating Council (WECC) compliance lies with NNSA. To support and facilitate that responsibility, this MOD 22 formally transfers responsibility for operations of the Supervisory Control and Data Acquisition (SCADA) system and the Backup Control Center to NNSA and specifies each party's responsibilities in continued operations and reporting for the facilities; and specifies that all costs associated with such operations are includable costs under the ECA. This MOD also adjusts for the costs of the Uniper Contract, accepted as a Pool Approved Resource in MOD 21, to reflect a price adjustment approved by Los Alamos County when the Uniper contract was executed.

Alternatives

Council could elect not to accept the proposed MOD22, in which case the parties would have to continue negotiations to address these matters.

Fiscal and Staff Impact

There is no immediate staff or fiscal impact. The clauses proposed are intended to add clarity as to the matters covered.

Attachments

A - DE-AC04-85AL26078 Mod 022 with Attachment A