

## Council Meeting Staff Report

November 5, 2021

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<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	DPU FY26 - 1.0 Provide Safe and Reliable Utility Services
<b>Presenters:</b>	Steve Cummins
<b>Legislative File:</b>	14397-21

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### Title

Presentation of Integrated Resource Planning Efforts

### Recommended Action

BPU to provide a consensus statement of final changes to be integrated into the 2021 IRP parameters and portfolios.

### Staff Recommendation

DPU is seeking BPU discussion, feedback and consensus on the parameters and portfolios to use in developing the Integrated Resource Plan that will guide the acquisition of the County's future electricity generation resources.

### Body

The County has partnered with DOE-LANL since 1985 through the Los Alamos Power Pool (LAPP) Electric Coordination Agreement (ECA). LAPP plans for the electrical power needs of both parties by developing and maintaining a Power Supply Study, commonly referred to as an Integrated Resource Plan, or IRP. LAPP is currently developing a new IRP to help guide near-term and long-term decisions in multiple areas to plan for meeting the current and future power demands of the power pool in the most environmentally sustainable fashion while also considering the cost to the County citizens and to the Laboratory's operation. The following paragraphs describe the purpose of the IRP, some details of the current IRP development project, and contextual factors that may influence LAPP's future electricity generating resources.

The IRP is LAPP's plan for meeting forecasted annual peak and energy demand, plus some established reserve margin, through a combination of supply-side and demand-side resources over a specified future period. The IRP compares the Levelized Cost of Electricity (LCOE) for generation resource options while also considering risks, sustainability, operational factors, reliability, and a diversified power generation resource portfolio. The IRP will evaluate a comprehensive range of demand-side and supply-side resources over the period 2021-2041.

In May of 2021 BPU and CC approved a contract with FTI for the development of an IRP. FTI is presenting the 50% project completion status. FTI will present to the BPU a review of work completed to-date, including:

- Load forecasts for LAPP
- Current and planned generation resources (Uniper PPA, LANL Solar)
- Potential new generation resource portfolios of the post-2025 ECA options
- Considered current BPU-adopted policies resulting from the Future Energy Resource committee recommendations and FY2023 Strategic Goals and Objectives identified under Sustainability, 5% gas reduction by 2030, 100% reduction by 2070
- Considered the Los Alamos Resiliency Energy and Sustainability (LARES) task force

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## recommendations

- Considered the DOE 2021 Climate Adaptation and Resilience Plan, to support the U.S. reaching net-zero carbon emissions by 2050
- Considered current and future market conditions

Although the LARES recommendations are in a draft form and have not been adopted by the County governing bodies, and actions to implement DOE's Climate Adaptation and Resilience Plan are just beginning, they both help establish the potential increases in electric load that must be considered for the future.

It's important to note that the IRP is a 20-year planning document which is typically updated every 3 to 5 years, or just prior to making any long-term decisions on new generating assets. It's also worth noting that the forecasted loads associated with EV and gas conversion are relatively small to LANL's programmatic loads over the next five years having minimal effects on the needed capacity requirements. The IRP provides information on how we can meet current policy goals, and serves to inform decisions on future resources, policy, and the LAPP ECA.

DPU and DOE-LANL monitor actual and planned load increase on an annual basis using the IRP as a reference tool and will recommend additional resources at the appropriate time.

DPU is seeking BPU discussion, feedback and consensus on the parameters and portfolios to use in developing the Integrated Resource Plan that will guide the acquisition of the County's future electricity generation resources.

## Alternatives

none

## Fiscal and Staff Impact

None, update only.

## Attachments

A - IRP Presentation by FTI

B - Memo from Deputy Secretary Turk dated 10/7/21