



## Council Meeting Staff Report

February 21, 2024

<b>Agenda No.:</b>	7.C.
<b>Indexes (Council Goals):</b>	Environmental Stewardship - Carbon-Neutral Energy Supply, DPU FY25 - 1.0 Provide Safe and Reliable Utility Services, DPU FY25 - 5.0 Achieve Environmental Sustainability, DPU FY25 - 6.0 Develop and Strengthen Partnerships with Stakeholders
<b>Presenters:</b>	Ben Olbrich
<b>Legislative File:</b>	18038-24b

### Title

Approval of the Power Purchase Agreement between Foxtail Flats Solar, LLC, and the Incorporated County of Los Alamos, New Mexico, and approval of the Energy Storage Agreement between Foxtail Flats Storage, LLC, and the Incorporated County of Los Alamos, New Mexico.

### Recommended Action

**I move that the Board of Public Utilities approve the Power Purchase Agreement between Foxtail Flats Solar, LLC, and the Incorporated County of Los Alamos, New Mexico, and approve the Energy Storage Agreement between Foxtail Flats Storage, LLC, and the Incorporated County of Los Alamos, New Mexico, and forward to Council for approval.**

### Utilities Manager's Recommendation

The Utilities Manager recommends that the Board approve the motion as presented.

### Body

The Foxtail Flats Solar Power Purchase Agreement provides 170 megawatts (MW) of photovoltaic (PV) power from a new solar farm to be built in San Juan County, NM, with a planned start of electrical energy deliveries to the Los Alamos Power Pool in the summer of 2026. The Foxtail Flats Storage Energy Storage Agreement provides 80 MW of peak power and 320 MWh of daily energy capacity that will store PV energy for delivery when needed. Both agreements provide long-term energy reliability and price stability through 20-year, fixed-price terms. The electricity from these two agreements is estimated to lead to a 50% reduction in electricity generation carbon emissions from fuel consumption, when compared to 2023. These agreements are a significant step towards achieving DPU's 2040 net carbon-neutral goal. They will build on the foundation of the County's hydroelectric facilities to meet the renewable resource targets of the 2022 Integrated Resource Plan's preferred generation portfolio. Los Alamos Power Pool approved these resources on December 11, 2023 to be incorporated into its approved pool of resources that will be incorporated into the next Energy Coordination Agreement (ECA).

### Alternatives

There are currently no identified carbon-free generation alternatives at similar power and energy levels, or planned operational date. DPU has been and will continue to pursue generation resources to achieve the 2040 carbon neutral electricity provided goal, If these agreements are rejected, then DPU will pursue a larger power capacity of alternative generation resources, at unknown terms.

### Fiscal and Staff Impact

The expenses associated with the PPA and ESA will be included as a part of the DPU Electric Production budget starting from fiscal year 2026. There is a potential required increase to operations staff effort as increased intermittent generation resources are added the portfolio; such impacts will be evaluated as the commercial operation date gets closer.

### Attachments

- A - DESRI Foxtail Flats Presentation for LAC
- B - Foxtail Flats Solar PPA-ESA Presentation

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C - Foxtail Flats - Solar Power Purchase Agreement  
D - Foxtail Flats - Energy Storage Agreement