



## Council Meeting Staff Report

December 4, 2024

<b>Agenda No.:</b>	7.c.
<b>Indexes (Council Goals):</b>	Environmental Stewardship - Waste Management, DPU FY26 - 5.0 Continuously, Conscientiously, Work Toward Environmental Sustainability
<b>Presenters:</b>	Ben Olbrich
<b>Legislative File:</b>	AGR1077-24a

### Title

Approval of Services Agreement No. AGR 25-13 with Renewance, Inc. in the amount of \$945,240.00, a Contingency in the Amount of \$50,000.00 and Applicable GRT, for the Purpose of Removal and Proper Disposition of One (1) NGK One (1) megawatt, Six (6) megawatt-hour Sodium Sulfur Battery System at the Los Alamos County Eco Station

### Recommended Action

**I move that the Board of Public Utilities recommend Services Agreement No. AGR 25-13 with Renewance, Inc. in the amount of \$945,240.00 and a contingency in the amount of \$50,000.00 for a total of \$995,240.00, plus applicable gross receipts tax, for the purpose of removal and proper disposition of one (1) NGK one (1) megawatt, six (6) megawatt-hour sodium sulfur battery system at the Los Alamos County Eco Station, and forward to Council for approval, subject to County Attorney's final review.**

**I further move that the Board of Public Utilities recommend Budget Revision 2025-10 in the amount of \$316,000 and include the attached budget revision in the minutes for the record, and forward to Council for approval.**

### Utilities Manager's Recommendation

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

### Body

DPU's NGK sodium sulfur battery has reached the end of its useful operational life and will be disposed of under agreement AGR25-13 with the Renewance, Inc., the selected offeror determined through an open competitive Request for Proposals process under which two proposals were evaluated. The fiscal year 2025 Electric Production budget includes \$750,000.00 for the sodium sulfur battery removal. Budget Revision 2025-10 increases this amount by \$316,000.00 for a total of \$1,066,000.00 including contingency and GRT. The agreement includes a lower-cost option for recycling in Japan at a lower cost of \$586,569.00 plus the \$50,000.00 contingency and applicable GRT. Due to schedule risk of the lower-cost option, which may exceed the term of the current Electric Coordination Agreement expiring on June 30, 2025, which is the mechanism under which the DOE/LANL will pay approximately 80% of the disposal cost, the higher-cost option is included for funding approval to mitigate the schedule risk.

### Alternatives

The sodium sulfur battery modules can be kept as-is at no additional cost, but with the County's acceptance of the full, unknown, cost of disposal in the future without any cost sharing through the Los Alamos Power Pool, and acceptance of the risk of fire or explosion of the battery system while it remains at the Eco Station site.

### Fiscal and Staff Impact

The total project cost is \$1,066,000.00, and will be covered under normal staff duties.

### Attachments

A - AGR 25-13

B - 2025-10 Budget Revision