** DRAFT - Pending Review & Approval by the BPU **

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

Robert Gibson, Chair; Matt Heavner, Vice Chair
Eric Stromberg,, Charles Nakhleh and Jennifer Hollingsworth, Members
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Ryn Herrmann, Council Liaison

Wednesday, July 22, 2026 **5:30 PM** **Municipal Building, B&C Room #110**

Public Participation ~ in person or https://us06web.zoom.us/j/82180323960

1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, July 22, 2026. Chair Gibson called the meeting to order at 5:34 p.m. Members of the public were notified of the ability to participate and provide public comment in-person, remotely, or via email.
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The following board members were in attendance:
Present - 4: Members Gibson, Nakhleh, Shelton and Laurent
Remote - 2: Members Hollingsworth, Heavner
Absent - 1: Member Stromberg
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Others in attendance in Chambers:
Vice Chair Ryn Herrmann, Council Liaison
Ms. Cristella Valdez, Assistant County Attorney
Mr. James Martinez, Deputy Utility Manager - Engineering
Mr. Clay Moseley, Deputy Utility Manager - GWS Services
Mr. Dennis Astley, Deputy Utility Manager - Electrical Distribution
Ms. Joann Gentry, Deputy Utility Manager - Finance & Administration
Ms. Abbey Hayward, Public Relations Manager
Ms. Kathy Casados, Executive Assistant
Mr. Jedidiah Beddo, IM Technical Support Specialist
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Zoom participants:
Ms. Joni Arends, CCNS
Mr. Seth Kirshenberg, Kutak Rock Attorneys

1.a. Statement Regarding Closed Session

Chair Gibson called for a volunteer to read the statement.

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Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities approve the following statement for inclusion in the minutes: "The matters discussed in the closed sessions on June 17, 2026 were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter during the closed session."

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The motion passed by the following vote:
YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson
NO - 0:
ABSENT - 1: Stromberg

2. PUBLIC COMMENT

Chair Gibson provided an opportunity for public comment on the Consent Agenda or those not otherwise included on the agenda.
The following individuals spoke:
1. Ms. Joni Arends, CCNS

No action was taken on this item.

3. APPROVAL OF AGENDA

Chair Gibson called for amendments to the agenda, discussion or a motion. Member Gibson requested that item 7.b. (Water Service Rate Schedules) be removed from the agenda and rescheduled for August.

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Member Nakhleh moved and Member Gibson seconded that the agenda be approved as amended.

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The motion passed by the following vote:
YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson
NO - 0:
ABSENT - 1: Stromberg

4. CONSENT AGENDA

Chair Gibson called for amendments to the consent agenda, discussion or a motion.

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Member Nakhleh moved and Member Gibson seconded that the consent agenda be approved as presented.

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The motion passed by the following vote:
YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson
NO - 0:
ABSENT - 1: Stromberg

4.a. Approval of Board of Public Utilities Meeting Minutes - June

I move that the Board of Public Utilities approve the minutes for the June 3 and June 17, 2026 meetings as presented.

4.b. Approval of Changes to the Utilities Assistance Program (DPU Rule GR-18)

I move that the Board of Public Utilities approve the revisions to the DPU Rules & Regulations Utilities Assistance Program (GR-18) as presented.

4.c. Award of Bid No. IFB26-58 for the Purpose of LASS Cured in Place Piping with AUI, Inc. in the Amount of $849,570, plus Applicable Gross Receipts Tax for the Term of 180 Days.

I move that the Board of Public Utilities approve the Award of Bid No. IFB 26-58 for the Purpose of Cured in Place Piping with AUI, Inc. in the Amount of $849,570 and a contingency in the amount of $169,914, for a total of $1,019,484, plus Applicable Gross Receipts Tax and forward to Council for approval.
I further move that the Board of Public Utilities approve Budget Revision 2027-02 in the amount of $1,019,484 and forward to Council for approval.

4.d. Award of Task Order No. 10, Agreement No. AGR24-39a for the Purpose of Determining Relay Settings for the New Transformer in White Rock Substation with Transmission & Distribution Services, LLC in the Amount of $157,262, plus Applicable Gross Receipts Tax for the Term of 180 Days

I move that the Board of Public Utilities approve Task Order #10, Agreement No. AGR24-39a for the Purpose of Completing the study to connect the White Rock Transformer #1 and connecting the controls with Transmission & Distribution Services, LLC in the Amount of $157,262 plus Applicable Gross Receipts Tax.
I further move that the Board recommend Budget Revision 2027-03 and forward to Council for approval.

4.e. Approval of Task Order No. 4 (Amendment #2), AGR20-48c (Amendment #2) with Wilson & Company in the Amount of $164,306.18 for the Purpose of the Remaining Engineering Services for the Jemez Mountain Regional Fire Protection System

I move that the Board of Public Utilities recommend Task Order No. 4 (Amendment #2), AGR20-48c with Wilson & Company for the purpose of engineering services for the Jemez Mountain Regional Fire Protection System in the amount of $164,306.18, plus applicable gross receipts tax and forward to Council for approval.

4.f. Approval of Services Agreement No. AGR26-72 with Southwest Fire Defense, LLC in the Amount of $1,000,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Electric Power Line Tree Trimming Services Near and Around 15,000 Volt Energized Power Lines Over the Next Seven Years

I move that the Board of Public Utilities recommend Services Agreement No. AGR26-72 with Southwest Fire Defense, LLC in the amount of $1,000,000.00 plus applicable gross receipts tax, for the purpose of Electric Power Line Tree Trimming services near and around energized power lines over the next seven years and forward to Council for approval.

5. PRESENTATIONS

None scheduled.

6. DEPARTMENT BUSINESS

6.a. 2026 Electric Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the United States Department of Energy National Nuclear Security Administration (DOE/NNSA)

Mr. Philo Shelton introduced the topic and reviewed some changes. Mr. Ben Olbrich, Deputy Utility Manager - Power Supply presented.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:
1. Member Gibson
2. Mr. Kishenberg
3. Member Hollingsworth
4. Member Nakhleh
5. Member Heavner

Chair Gibson provided an opportunity for public comment. The following individuals spoke:
1. Ms. Joni Arends, CCNS

Chair Gibson called for further board discussion or a motion.
1. Member Nakhleh
2. Member Hollingsworth
3. Member Gibson

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Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities request from DOE/NNSA an extension to the current Electric Coordination Agreement with a term through August 31, 2026, to allow additional time for County review. I further move that the Board of Public Utilities recommend Council approve such extension to the current Electric Coordination Agreement.

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The motion passed by the following vote:
YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson
NO - 0:
ABSENT - 1: Stromberg

NOTE: Member Heavner left the meeting at 7:39 p.m.

6.b. Approval to Execute a Power Purchase Agreement in an Amount not to Exceed $9,195,750.00 Plus Applicable Gross Receipts Tax, to Meet Forecasted Los Alamos Power Pool Load for the Months of August and September 2026

Mr. Ben Olbrich, Deputy Utility Manager - Power Supply presented.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:
1. Member Nakhleh
2. Mr. Shelton
3. Member Gibson

Chair Gibson provided an opportunity for public comment; there was none.Chair Gibson then called for further board discussion or a motion.

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Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities recommend approval of a power purchase agreement with a yet to be determined power supplier competitively selected not later than July 31st, 2026, in an amount not to exceed $9,195,750.00 plus applicable gross receipts tax for the purpose of supplying power and energy to serve the Los Alamos Power Pool's electric load with a definite purchase for the month of August and a contingent purchase for the month of September, contingent on whether the electric coordinating agreement is approved, and forward to Council for approval.

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The motion passed by the following vote:
YES - 3: Members Hollingsworth, Nakhleh and Gibson
NO - 0:
ABSENT - 2: Members Stromberg and Heavner

7. PUBLIC HEARINGS

7.a. Incorporated County of Los Alamos Code Ordinance No. 02-385; An Ordinance Amending Chapter 40, Article III, Sections 40-151, and 40-152 of the Code of the Incorporated County of Los Alamos Pertaining to Gas Service Rates

Ms. Joann Gentry, Deputy Utility Manager - Finance & Administration presented. Mr. Shelton provided clarifying information.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:
1. Member Nakhleh
2. Mr. Shelton
3. Mr. Moseley
4. Member Hollingsworth
5. Member Gibson

Chair Gibson provided an opportunity for public comment; there was none. Chair Gibson then called for further board discussion or a motion. The following individuals spoke:
1. Member Gibson
2. Member Hollingsworth

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Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities recommend that Council adopt Incorporated County of Los Alamos Code Ordinance No. 02-385; An Ordinance Amending Chapter 40, Article III, Sections 40-151, and 40-152 of the Code of the Incorporated County of Los Alamos Pertaining to Gas Service Rates.

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The motion passed by the following vote:
YES - 3: Members Hollingsworth, Nakhleh and Gibson
NO - 0:
ABSENT - 2: Members Stromberg and Heavner

7.b. Incorporated County of Los Alamos Code Ordinance No. 02-387; An Ordinance Amending the Department of Public Utilities' Water Service Rate Schedules, Chapter 40, Article III, Sections 40-171, 40-173 and

40-175, and adding new Sections 40-176, 40-177, and 40-178 to the Incorporated County of Los Alamos Code

Rescheduled for introduction to the BPU on August 5, 2026.

No action was taken on this item.

RECESS: 8:20 - 8:30 p.m.

8. BOARD BUSINESS

8.a. Chair's Report

Chair Gibson reported that:
1. he gave the annual presentation to Council at the July 14th Work Session;
2. his written report on the APPA Conference is included in the meeting packet;
3. there have been some efficiency improvements in the Municipal Building after the HVAC study and re-commissioning.

No action was taken on this item.

8.a.1. American Public Power Association (APPA) National Conference Summary

Chair Gibson reviewed his report. A copy was provided in the meeting packet.

No action was taken on this item.

8.b. Board Member's Reports

Member Hollingsworth reported that she participated in the FY 26 audit entrance conference. Hinkle and Lander's accountants are working on the audit for this year. The annual comprehensive financial report, or ACFR, will be due December 31st.

No action was taken on this item.

8.c. Utilities Manager's Report

Mr. Philo Shelton reviewed his report which was distributed to Members prior to the meeting and is attached to these minutes. Chair Gibson provided an opportunity for comments or questions from the board. The following individuals spoke:`
1. Ms. Laurent
2. Member Gibson

No action was taken on this item.

8.d. County Manager's Report

Ms. Anne Laurent, County Manager reported on:
1. current County projects;
2. the after action report on the Juneteenth traffic accident that resulted in injuries and two hour road closure;
3. Council discussions regarding potential public/private partnerships under the local economic development act or Metropolitan Redevelopment Area;
4. there is a Town Hall meeting scheduled for August 17th regarding the Police Departments use of automated license plate readers or speed ticketing program.

No action was taken on this item.

8.e. Council Liaison's Report

Council Vice Chair Herrmann reported that at last Tuesday's Work Session Council, BPU Chair Gibson presented. They also had a demonstration from Dave Krueger, the PIO, about the community dashboard and performance metrics; and there was an update on the comprehensive plan.

No action was taken on this item.

8.f. Environmental Sustainability Board Liaison's Report

Ms. Shannon Blair was absent but reported via email that The Environmental Sustainability Board voted to not recommend an ordinance on banning plastic bags at retail locations in the county. A memo will be provided to county council for their review and Chair David Hampton will provide an in person update on August 4th. Angelica Gurule will provide a quarterly sustainability update to council also on August 4. The update includes sustainability initiatives including some of interest to BPU such as EV charging and general greenhouse gas emission reductions from renewable electricity.

No action was taken on this item.

8.g. General Board Business

None scheduled.

8.h. Board Expenses

8.h.1. Discussion & Possible Approval of BPU Participation in the Los Alamos Nuclear Forum

Chair Gibson introduced the topic; details were provided in the meeting packet. Chair Gibson provided an opportunity for Board discussion. The following individuals spoke:

1. Member Hollingsworth is not available
2. Member Nakhleh is not available
3. Member Gibson will ask Members Stromberg and Heavner regarding their interest

Chair Gibson then called for a motion.

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Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities approve training and per diem expenses not to exceed $500 per Board Member to participate in the Los Alamos Nuclear Forum on August 25, 2026 in Los Alamos, NM.

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The motion passed by the following vote:
YES - 3: Members Hollingsworth, Nakhleh and Gibson
NO - 0:
ABSENT - 2: Members Stromberg and Heavner

8.h.2. Discussion & Possible Approval of BPU Participation at the UAMPS Annual Member Conference

Chair Gibson introduced the topic; details were provided in the meeting packet. Chair Gibson provided an opportunity for Board discussion. The following individuals spoke:

1. Member Nakhleh is not available
2. Member Hollingsworth is not available
3. Member Gibson will contact Members Heavner and Stromberg

Chair Gibson then called for a motion.

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Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities approve training and travel expenses not to exceed $3.500.00 per Board Member to participate in the UAMPS Annual Member Conference from August 23-25, 2026 in Logan, Utah.

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The motion passed by the following vote:
YES - 3: Members Hollingsworth, Nakhleh and Gibson
NO - 0:
ABSENT - 2: Members Stromberg, and Heavner

9. STATUS REPORTS

9.a. Annual Update on Wastewater Systems

This item was rescheduled for the August 5, 2026 BPU Work Session.

No action was taken on this item.

9.b. Status Reports - May 2026

Chair Gibson opened the floor for comments and questions on the status reports. There were none.

No action was taken on this item.

10. UPCOMING AGENDA ITEMS

Tickler File for July - October 2026

Chair Gibson opened the floor for comments and questions on the status reports. There were none.

No action was taken on this item.

11. PUBLIC COMMENT

Chair Gibson provided an opportunity for public comment on any topic; there was none.

No action was taken on this item.

12. ADJOURNMENT

The meeting adjourned at 9:10 p.m.

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APPROVAL

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Board of Public Utilities Chair

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Date Approved by the Board

Minutes transcribed by: Kathy Casados, Executive Assistant

ATTACHMENTS
(in agenda order):

6.a. Revised ECA Presentation
8.c. Utilities Manager Report June 2026

2026 Electric Coordination Agreement

Department of Public Utilities
Electric Production Division
July 22, 2026

Purpose of Presentation

- Describe the ECA and its goals
- Explain the Electric Coordination Agreement (ECA) structure
- Overview of how costs and payments are handled
- Termination of the Contract
- Staff Recommendation, Summary and Next Steps

What is the ECA?

- The Electric Coordination Agreement (ECA) is a collaborative agreement established in 1985 between the Department of Energy (DOE) and Los Alamos County
- DOE/NNSA is authorized pursuant to the Department of Energy Organization Act (Public Law 95-91) and other applicable law, including the Atomic Energy Act of 1954, as amended, to provide or otherwise arrange for utility facilities and services
- Parties: the Incorporated County of Los Alamos ("County") and the U.S. Department of Energy/National Nuclear Security Administration ("NNSA") at Los Alamos National Laboratory ("LANL")
- ECA is for the County to sell electric utility services to NNSA after the expiration of the current Electric Coordination Agreement ("1985 ECA") which expired on June 30, 2025 (and continues with extensions)

ECA Goals

- The Los Alamos National Laboratory (LANL) and County electric utility systems are tightly coupled, with shared infrastructure and generation resources that don't fit the typical "Utility" and "Utility Customer" structure
- The ECA is the contract that allows both parties to combine and efficiently manage their power generation and transmission resources
- The goal is to achieve economic dispatch and enhance the reliability of the electric supply (economic dispatch is the process of minimizing the total operational cost of power generation while considering power balance and unit generation limits)
- With the coming end of the 1985 ECA, the 2026 ECA is ready to take its place

2026 ECA Sections

- Contract 89233126CNA000436 Terms and Conditions
- ECA Performance Work Statement
- ECA Operating Procedures
- LANL Exhibit G Physical Security Lab-wide

Terms and Conditions

- This is a Standard Form 26 for Contract Award
  - Section A - Solicitation/Contract Form
  - Section B - Supplies or Services/Prices
  - Section C - Description/Specifications
  - Section D - Packaging and Marking
  - Section E - Inspection and Acceptance
  - Section F - Deliveries or Performance
  - Section G - Contract Administration Data
  - Section H - Special Contract Requirements
  - Section I - Contract Clauses
  - Section J - List of Documents, Exhibits and Other Attachments

Performance Work Statement

- The performance work statement (PWS) is the statement of work for this contract that describes the supplies or services to be provided, their costs, cost accounting methods and more
  - B.1 Accounting for Resource Costs
  - B.2 Miscellaneous Costs
  - B.3 Allocation of Resource Costs
  - B.4 Classification of Expenditures
  - B.5 Net Cost Responsibility and Payment
  - B.6 Renewable Energy Certificates and Other Attributes
  - C.1 Statement of Services
  - D-F Not Applicable
  - G.1 Contract Administration
  - H.1 Real Property Access
  - H.2 Western Electricity Coordinating Council Compliance
  - H.3 Cooperation of the Parties
  - Attachment 1 Exhibits
    - Exhibit 1: DOE/NNSA Approved Resources and SPARs
    - Exhibit 2: County Approved Resources
    - Exhibit 3: Miscellaneous Costs of Mutual Benefit
    - Exhibit 4: Method for the Cost Determination of DOE Distribution Facilities
    - Exhibit 5: San Juan Generating Station and Mine Reclamation

Operating Procedures

- This section describes how the day-to-day planning, resource scheduling, and other operational tasks are performed
  - Section A Administrative Procedures
    - A1 Operating Committee
    - A2 Manager of Operations and Other Approved Pool Personnel
    - A3 Operating Procedure Changes
    - A4 Retention of Operating Reports and Records
  - Section B Budget and Accounting Procedures
    - B1 Capital Budget
    - B2 Operating Budget
    - B3 Billing and Payment
    - B4 Adjustments for Prior Period Invoiced Corrections
    - B5 Timing of Expenditures
    - B6 Pool Operations Accounts
    - B7 Special Purpose Approved Resources
    - B8 Customer Related Costs

Operating Procedures cont.

- Section C Operations Procedures
  - C1 Annual Operating Plan for Approved Resources
  - C2 Operating Schedules and Reports
  - C3 Operating Reserves
  - C4 Transmission Facility Records and Operational Data
  - C5 Transmission System Operation and Maintenance
  - C6 Coordination of Relays and Protective Equipment
  - C7 Metering
  - C8 Communication Equipment
  - C9 Planned Maintenance Outages of Pool Resources and Service Interruption
  - C10 System Operation and Load Shedding
  - C11 Electric SCADA Maintenance and Security Coordination
  - C12 SNL/KAFB Scheduling Agent Services
  - C13 Load Serving Entity Functions by County for NNSA
- Section D Planning Procedures
  - D1 Planning Studies
  - D2 Participation in Electrical Industry Organizations

Reporting Requirements Checklist and LANL Exhibit G Physical Security

- The Reporting Requirements Checklist is a required form that DOE/NNSA must prepare in association with the ECA
  - Responsible party is DOE/NNSA
- The LANL Exhibit G Physical Security document defines the DOE/NNSA's comprehensive physical, personnel, cyber, and information security requirements for subcontractors performing work for Los Alamos National Laboratory (LANL)
  - Responsible party is the County - fully responsible for following all security rules in Exhibit G

2026 ECA Contract Structure

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- Fixed Price contract with a Cost Sharing arrangement – combines a fixed price for utilities with a cost-sharing component that details how DOE and County each bear a portion of the total costs
- Cost risks of future unknowns are mitigated by the Changes Clause under which adjustments are made through a bilateral modification formally amending the contract
- Administrative modifications can be made for changes that do not impact the contract's fixed price, cost-sharing obligations, scope of work, or fundamental rights of the DOE and County
- The 2026 ECA is for 10 years with an additional 10-year option
- $424 million total contract value for the first 10 years

Resource Costs and Payments

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- Portion of the costs are fixed (certain investments in owned resources) and others are variable (transmission, etc.)
- The County trues up costs monthly in arrears
- The County and NNSA contract is focused on a rate that is set based on actual costs of the parties

Key Terms

- ***Approved Resources*** means the electric utility resources contributed by each party pursuant to this contract and utilized by the Operating Committee pursuant to the Approved Operating Procedures.
- ***Resource Accounting Pool*** means that accounting method wherein costs of the consolidated County and DOE/NNSA Los Alamos Power Pool operations are recorded and apportioned between the parties pursuant to this contract.
- ***Resource Planning Horizon*** means a rolling five-year period following the current Pool Fiscal Year for capacity and energy planning.
- ***Short-Term Capacity Resources*** means the portion of Approved Resources beyond those resources defined as Long-Term Capacity Resources that may be operationally available from time to time. The Short-Term Capacity Resources include variable amounts that may be available on a month-by-month basis as well as amounts of purchased power from third party suppliers on a short-term contractual basis of 12 months or less. Short-Term Capacity Resources generally will be utilized to meet specific short-term operational needs.
- ***Special Purpose Approved Resources*** (SPAR) means the electric utility facilities and power contracts that have been incorporated into the ECA primarily to meet the special needs of one of the parties and utilized by the Operating Committee pursuant to the Operating Procedures.

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract.

Pooling of Resources Sets the Rates

- Pooling of Approved Resources (Attachment A)
- The County and DOE/NNSA agree to give notice to one another of meetings or proceedings with third parties involving matters that could significantly alter established Resource Accounting Pool cost responsibilities
- The Operating Committee will develop and periodically review such priority plans to assure resources are allocated to give priority to human needs, health, safety, and security needs
- Continuity of Service – subject to Excusable Delay

Resource Costs and Payments

The parties agree to assign all relevant costs to the Los Alamos Power Pool in accordance with appropriate accounting principles and cost mentioned above under (b)(1). However, if actual energy costs are lower than the around-the-clock day-ahead Palo Verde index price plus $2.00 for net energy delivered through the transmission network from each County owned generating resource or approved long-term power purchase agreement included herein for the month, then the parties agree to split the difference based on the formula below:

Formula: If COR < PVI + 2, then ([(PVI + 2) minus COR] divided by 2) = Difference applied to DOE

Definitions: *PVI* = Palo Verde Index *COR* = County Owned Resources Total Energy Cost /MWH from the Component Cost Summary

Qualifying resources for this accounting treatment are resources that LAC has a long-term stake in and liabilities that either extend or are not in line with the contracting period. Examples of qualifying resources are set forth in Exhibit 2, *County Approved Resources.*

If actual energy costs are higher than the around-the-clock day-ahead Palo Verde index price plus $2.00 on a weighted average basis for the month, then the parties agree that no further adjustment will be applied as current accounting methods will split the total energy costs on a pro rata basis according to actual energy used. Transmission, capacity, or demand costs will be allocated to the parties based on each party's contribution to the coincidental peak for the month.

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract.

Miscellaneous Costs

- Set forth in Exhibit 3. Except as provided herein, all costs associated with personnel, procurement, management, and administration that are not directly related to the combined operation of Approved Resources shall be borne separately by each party. Additions, deletions, or changes of miscellaneous costs to the Resource Accounting Pool may be made upon agreement of the Contracting Officer and County Authority by exchange of correspondence without formal modification of this contract
- Each party shall bear all costs associated with its respective 115/13 kilovolt (kV) transformation and 13 kV distribution facilities. At several locations, however, it is advantageous to connect load to the distribution network of the other party, and thereby avoid an unnecessary duplication of facilities. Operating Procedure B8 Customer Related Costs, provides the facilities charge for monthly cost of service responsibility associated with the County's use of DOE/NNSA's distribution facilities. Such costs are to be accounted for as part of the Resource Accounting Pool

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

New Approved Resources

- The ECA provides a method for adding new Approved Resources which are generation or other assets that are included in the Resource Costs
- New DOE/NNSA transmission lines and the County's future East Gate Substation are already listed in the ECA, but not as Approved Resources. They may become Approved Resources upon mutual agreement by the parties

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

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ECA Questions and Comments

NUM	LOCATION	COMMENT	RESPONSE	MOD1
1	PWS p.4 B.4(3) classification of expenditures	One is a quick one for the lawyers. I found (attached) a section that says "will shall" - I assume it is just one (either will or shall) and not both. I don't know which one (or that it matters too much?)	Will ask about changing before signing. If that can't be done, will include in MOD1 change list. The DOE Procurement responded on 7/21/26 that no changes to the ECA, but will add it to Modification #1 after award of agreement.	x
2	PWS p.6 B.4(3)(e)	Second, there is a section about new resources where it looks like the lab could "veto" a new resource that the county is pursuing if it raises lab rates. I didn't see a "reciprocal" - is there a potential new lab resource that would raise county rates that the county should have "veto" power over? (Screen shot of section also attached).	This is an entirely new section that was added to identify a path for the County to mitigate the cost risks of procuring long-term capital assets by specifically identifying the WAPA contracting option. It describes how proposed New Facilities are handled, and supplements section B.4(3)(d) Additional Approved Resources. The agreement of both Parties is necessary for any new Approved Resource, including New Facilities. There is no similar language specifically for DOE New Facilities, because the DOE doesn't face the same cost risks that the County does for new electric capital assets.	

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ECA Questions and Comments

3		Any choice is between at least two alternatives. So, one big question that I think it would be prudent to be prepared for is: What alternative options to approving the ECA were evaluated by the DPU?	DPU did not explore breaking with the ECA and going a different direction. DPU worked to negotiate a renewed ECA that meets DPU's goals and objectives. The 2017 IRP on page 48 discusses some post 2025 ECA strategies but many of the assumptions behind those strategies are not current with today's mix of loads and resources. One alternative is for DPU and DOE to split their resources completely. This would require subtantial actions by both parties to separate all of the interconnected assets, contracts, accounting practices, and generation resources. It would cut DPU's load by 80%, from a range of 60-90 MW to 10-20MW. It would change how the Electric Production division functions, as the reduced load would lower the economy of scale and require changes to planning for the 2040 carbon neutral goal. Fiscal Year 2028 combined energy sales to LANL and SNL/KAFB are estimated at an average of $4.2 million/month, with much of that energy supplied through DPU's 20-year Foxtail Flats PPA and ESA. DPU's cost risk exposure with Foxtail Flats would increase from an estimated $2 million/year under the ECA to an estimated $18 million/year. Additional points are stated in the response to item 4.	

ATTACHMENT A

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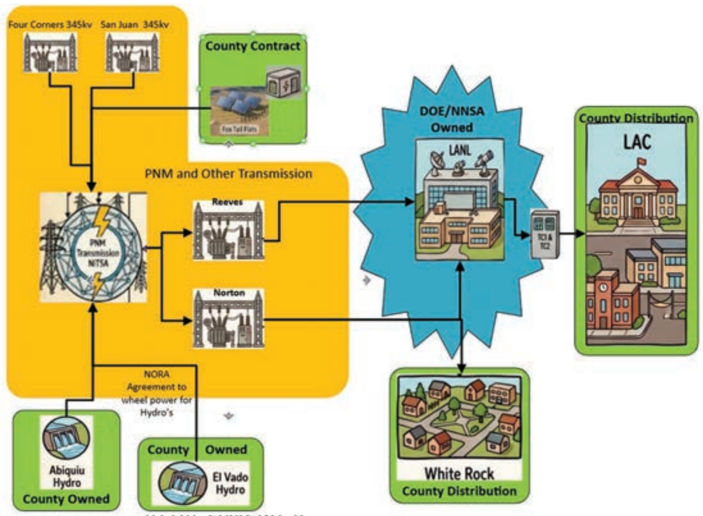
ECA Questions and Comments

4		Some subsidiary questions: If the ECA were not approved, could the DPU continue to provide electric power as an independent provider without the ECA? What about looking to PNM for power?	If the ECA was not approved, it is possible to be an independent electric power provider but there would be an extensive unwind process and most likely be a costly proposition. There still would need to be cost allocations made because transmission to Los Alamos is over LANL transmission and distributed to LAC through TA-3 sub-station (and the LANL distribution system in some cases) and then how to address the nine employees who perform power scheduling for LAC, LANL and Sandia/Kirtland. The ECA covers power scheduling where County pays approximately 10% of this team's costs, and LANL and Sandia/Kirtland collectively pay about 90% of these costs. Please keep in mind Sandia/Kirtland was once served by PNM and broke away and asked Los Alamos County to do the power scheduling. PNM is not needed for power because Foxtail Flats and hydroelectric plants would meet all of LAC's power needs. A break in the ECA would require LAC to find another large power off taker and most likely need to be a customer within PNM's balancing area given today's transmission constraints. Also, with Foxtail Flats and the two hydroelectric plants, DPU would still need to continue to procure balancing services from PNM who currently provides this service that supports how we do power scheduling within the PNM balancing area.	

ECA Questions and Comments



ATTACHMENT A

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ECA Questions and Comments

5		I understand the ECA benefits of cost sharing, risk mitigation and being able to develop utility-scale solar/battery projects via the relationship with DOE/LANL, a large partner. Just to play devil's advocate, if we didn't have this relationship with such a "large power off-taker," would LAC have a sought to advance a smaller, yet still utility-scale, solar project (perhaps closer to home depending on size) that targets more specifically LAC-level power needs (e.g., perhaps 20-30 MW solar plus 10 MW battery)?	DPU's Electric Production division has continually pursued multiple new resources in parallel to meet cost and carbon neutral 2040 goals. For at least the past eight years, including during the same time that the Foxtail Flats opportunity was being developed, staff have continued looking for feasible local County, DOE, or San Ildefonso Pueblo sites for a PV + storage site. DPU staff studied feasibility and cost for a specific DOE site and determined that it would cost greater than $90/MWh for PV, more than double Foxtail Flats. Staff also worked with San Ildefonso Pueblo in support of a potential PV + storage project of around 20 to 40 MW to be located on tribal property. That project was overcome by events and is transitioning to a potential geothermal project. In the early 2010s, the NEDO project installed the 1 MW PV and storage at the local landfill site. This project is an approved resource, so when it came time to dispose of the lead acid and sodium sulfur storage systems, the DOE paid for most of the disposal cost under the terms of the ECA. DPU retains the ability to pursue generation independently of DOE, notwithstanding the current and future ECAs. For many of the years that the CFPP project was active (8.3 MW), it was not an approved resource, only a County resource. The County still benefitted from the DOE's project development funding as it lowered the costs to the County.	

ATTACHMENT A

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ECA Questions and Comments

6		Is it correct to assume that LANL/DOE would disappear as a large off-taker without the ECA?	It is reasonable to anticipate that without an ECA the DOE would explore all options for meeting their generation resource needs and seek competitive procurements, including not being an off taker of County resources.	
7		Where else would they go for their needs?	In addtion to the option for becoming a regulated rate customer of DPU, they could: 1. Become a customer of PNM under a regulated rate. 2. Become a network customer of PNM and contract for their energy through WAPA or directly with a power marketer.	
8		Would there be any benefit to a different mechanism for us as supplier and them as customer?	Staff have not studied the potential pros and cons if the DOE were to be a customer of under a BPU/CC regulated rate.	
9		Is there a downside to LAC for building this relationship through the ECA model vs some other?	Staff and Counsel explored other DOE contract arrangements like the County's Fire Cooperative Agreement and through a series of discussions was narrowed down to this new form of the ECA as the best contract mechanism given DPU is a utility.	

ECA Questions and Comments

10		You comment that DPU worked to negotiate a renewed ECA that meets DPU's goals and objectives. Do you believe that the current version has done this?	DPU's goals and objectives were centered around making changes to the ECA to ensure a balanced partnership that mitigates the County's risks from long-term financial commitments for resources that mostly serve LANL. The presentation and staff report mention some of these changes. All changes to the ECA desired and requested by staff have been included in delivered documents in a form that meets staffs' objectives.	
11		Is there anything you would change if you could?	Writing a 20 year agreement to align with the 20 year Foxtail Flats would have been DPU's preference.	
12		Anything significant that concerns you?	No, DPU added the known unknowns such as Energy Day Ahead Market (EDAM) and provisions to update and change the agreement as the energy market changes.	

ECA Questions and Comments

13		In number 2 of July 17 comments, you state, "There is no similar language specifically for DOE New Facilities, because the DOE doesn't face the same cost risks that the County does for new electric capital assets." ...by this, do you mean because DOE is not in the business of developing new electric assets on their own, so it's a moot point?	The DOE could develop new electric assets, but if they do they will be making the entire financial commitment for those assets by themselves, with the backing of the Federal Government. For example, the DOE's new transmission line that is currently under construction is funded entirely by the DOE. There are provisions in the new ECA for the County to contribute to the future expenses of this transmission line when the Parties agree. There is no guarantee that the County will pay any costs of the line. Yet this is not a big risk to the DOE, because the asset largely or entirely is needed for LANL's mission, not for the County, and DOE is prepared to pay for entirely. This is quite different from the County contracting for assets that mostly serve LANL, not the County, but for which the County is financially liable, which is why the County sought to mitigate these risks, but the DOE doesn't need to.	
14		What does the term "collaborative agreement" in the presentation mean?	It is an acknowlegment that the ECA was produced and conducted by the County and DOE working together. It is not used here as a legal description of the structure of the agreement, such as a contract between physicians and mid-level providers.	

ECA Questions and Comments

15		Why doesn't the contract discuss the 10-year option and its contract award value?	The contract extension is under a separate CLIN and has not been provided to staff.	
16		Are there any more details about how a termination for convenience would be priced?	Details regarding termination will be covered during BPU's presentation.	
17		When did staff begin working on the new ECA?	The earliest email is from April 18, 2022, referencing consolidated comments to the statement of work (now called the performance work statement).	

Termination of the Contract

- The ECA includes a contract ceiling that takes into account the existing contracts
- The contract ceiling sets an expected amount of the funding required for the contract for the full term (as if the contract is renewed for the additional 10 years)
- If the contract is terminated, NNSA will pay the incurred amounts by the County (the termination for convenience process)

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

Staff Recommendations

- The Utilities Manager recommends that Board approve the motion as presented
- **Alternative motion:** I move that the Board of Public Utilities request from DOE/NNSA an extension to the current Electric Coordination Agreement with a term through August 31, 2026, to allow additional time for County review. I further move that the Board of Public Utilities recommend Council approve such extension to the current Electric Coordination Agreement.

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Summary

- The 2026 ECA recognizes the long-term nature of the County and DOE/NNSA needs and enables a continued electric operations partnership
- It improves on the unique framework refined over the past 40 years
- The 2026 ECA includes a clause requiring the Federal Agency to pay for the additional cost if the electric service contract is terminated prior to the term of the payment of the project, including termination costs

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

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Next Steps

Forward to Council for approval

Sign the 2026 ECA

Transition power supply operations to the 2026 ECA starting August 1, 2026

Close out the 1985 ECA

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Thank you! Questions?

Utilities Manager's Report
July 22, 2026

1. For White Rock Sub-Station, R&M Construction has drilled the first pier and on the second one they experienced a hydraulic leak, and drilling had to be shutdown. The contractor is seeking a replacement drill rig and anticipates restarting next week.

2. For Elk Ridge, all homes are on the new system, and the old gas system is completely abandoned. Staff are working on closeout documentation.

3. New Mexico Gas virtual pipeline is in operation while they hydrotest 8 miles of high-pressure delivery gas line from Santa Fe to Los Alamos. The project is two weeks behind schedule and will now run until the end of August.

4. Time of use and demand rates are in place. We found some metering issues with an apartment complex that staff is in the process of reprogramming these meters. The AMI portal is unexpectedly down during this transition. Staff have been manually checking bills for accuracy before they are mailed. A press release has gone out to explain what occurred in more detail.

5. Recruitment status: Congratulations to Stephen Abeyta who was selected to be the new GWS superintendent. We hired a water operator who started this week and a senior engineer and an energy and water conservation coordinator who will start next month. The remaining vacancies are Electrical Distribution Engineering Manager, Associate Engineer, Management Analyst, Three Power System Operators, and Engineering Aid for utility locates.

6. For the Jemez Fire Protection Project, staff are working with DHSEM on material procurements for the electrical underground work. This FEMA grant will cover electrical undergrounding of lines and the removal of the overhead lines.

7. For the NMED's sanitary survey all items for correction have been closed out.

8. UAMPS Projects: A limited remote meeting was held this month and there are no project updates.

9. San Juan County has accepted the closure of the San Juan Generating Station Demolition and Remediation (Ordinance 121). The formal decommissioning and demolition process was completed over an approximately three (3) year period, from initial contractor mobilization through final completion. The mine reclamation work will continue through 2030.

10. Attended the APPA conference in Boston and attended the preconference workshop on strategic planning. There were several good ideas exchanged at this training. In collaboration with our facilitator Kathy Darwin, we discussed a plan for this year's strategic planning session. Since we have a new team of Deputy Utility Managers and the same BPU members, this year's strategic planning will start with a presentation on the deputy managers'

SWOT analysis. We hope this approach will present some of the challenges and opportunities that the department faces before we seek to update DPU's Strategic Focus Areas, Goals & Objectives. During the main sessions of the conference, Chair Gibson and I attended different breakout sessions. I attended strategic communications, fleet electrification, risk in modernization efforts, operational excellence behind customer satisfaction, and using RP3 strategies. Reliable Public Power Provider (RP3) is APPA's operational excellence program, and I recommend that we seek this designation as part of the once every 5-year peer review activity required by county charter.

11. Attended the NM Groundwater conference and there were much discussion and presentation on the fact that the Rio Grand is "fully appropriated". Also, the extensive use of groundwater is impacting flows in the Rio Grand and hence causing issues with the state meeting its compact obligations with Texas. Santa Fe made a presentation on there plans to meet future growth with fully using their San Juan Chama Project Water. This was useful information on how we can do the same with the proposed well at Overlook Park.

12. The San Juan Chama Project water has made its final allocation of water this year unless heavy monsoon season occurs. To date Los Alamos has been allocated 326 acre-feet of water out of 1200 acre-feet maximum allotment. The Rio Chama Acequia Association is in their final year of our agreement to purchase this amount of water from the County to place to beneficial use.

13. Attended the LANL Consent Order Audit Scoping meeting and between my public comment and the three pueblos that commented on the chromium plume the auditor promised to review closely how these activities are progressing.

14. Working with Atomic Fiber's vendor Bonfire to coordinate and eventually take over all the locates for county fiber.