

Foxtail Flats Business Plan Update

Department of Public Utilities
Electric Production Division
August 19, 2026

The County contracted for Foxtail Flats PV and BESS to reach LAC and DOE carbon free electricity goals

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- Foxtail Flats is a big step towards the ultimate goals
 - LAC Carbon neutral goal by 2040
 - At the time of contracting, the DOE had a 50% carbon free electricity by 2030 goal
- Available long-term generation alternatives all cost more than PV today (they also cost more at contract signing)
 - Nuclear and gas turbines \$100+/MWh
 - Los Alamos County PV \$90+/MWh
 - Geothermal \$80+/MWh
- Foxtail Flats PV + BESS was calculated at a combined cost of \$74.79 as presented to BPU and Council during the consideration for approval meetings

Foxtail Flats provides cost certainty with fixed prices for 20 years

- Solar Power Purchase Agreement (PPA)
 - 170 MW (megawatts) solar for 20 years at \$37.88 / MWh (megawatt hours), no price escalator
 - Take-or-pay, no added cost to curtail. Developer switched from Production Tax Credit (PTC) to Investment Tax Credit (ITC) approach
- BESS (Battery Energy Storage System) Energy Storage Agreement (ESA)
 - 80 MW / 320 MWh of BESS for 20 years at \$13.50 / kW-month (kilowatt-month), no price escalator
 - 100% of capacity available for all 20 years
 - Can fully charge and discharge once per day

We went into Foxtail Flats knowing that it is oversized

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- With the full 170 MW available and an average LAC+LANL+SNL/KAFB load of 110 MW, there will be times that Foxtail Flats generation exceeds load
- Planned to sell 50 MW to a power marketer to eliminate this excess power, but that deal fell through, and DPU is planning for what to do with the excess power
- This presentation provides the options for the excess power

Foxtail Flats generates more day energy than LAC + LANL +SNL/KAFB can use

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- FY28 forecast: 56,000 MWh/year excess solar during the day, or \$2.12 million/year to buy the excess solar
- The 50 MW sale would have eliminated all excess



ATTACHMENT A

We have options for the 50 MW

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1. We can sell it to the CAISO EDAM
2. We can sell it to another party through a contract
3. We can get more energy storage and use it to store the excess for use at night
4. We can use as much PV as possible to serve LAC+LANL+SNL/KAFB load and sell the rest to the CAISO EDAM or another party
5. A mix of options 2 through 4; sell less than 50 MW to another party, use what PV we can, get more storage if its economical and sell the rest to EDAM

Pros and cons of selling it to the CAISO EDAM

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- Price uncertainty as it is exposed to market price variations
- Allows for more generation diversity. Foxtail Flats will supply most of the load during the day; a Foxtail outage would have a severe impact on resource sufficiency
- Provides room for dispatchable and higher capacity resources that have value over intermittent resources
- Price uncertainty for the part being sold to market

Pros and cons of selling it to another party

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- Provides price certainty. A fixed price for a known term eliminates the cost risk of selling the excess power to the market
- Allows for more generation diversity. Foxtail Flats will supply most of the load during the day; a Foxtail outage would have a severe impact on resource sufficiency
- Provides room for dispatchable and higher capacity resources that have value over intermittent resources

Pros and cons of more storage

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- Increases the cost unless dramatic storage cost drops occur quickly, which is possible but not probable
- In the winter months the PV will be insufficient to supply the load and charge the storage – additional market purchases will be needed to maximize use of the storage
- Increases the potential market sales value as storage has a higher assigned capacity than PV

Pros and cons of using as much PV as possible and selling the rest

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- Lowers the combined cost of PV +BESS
 - From an estimated \$75/MWh to \$60/MWh
 - More PV at \$37.88/MWh with the same amount of BESS at \$111/MWh lowers the average cost
- Allows more power scheduling flexibility; use it when we can and sell it when we can't

Pros and cons of a mix of the options

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- Less PV+BESS cost reduction than using as much PV as possible
- Allows more power scheduling flexibility; use it when we can and sell it when we can't
- Gets some of the benefits of generation diversity and dispatchable resources
- Additional storage will increase the cost unless dramatic storage cost drops occur quickly, which is possible but not probable

DPU staff's current actions

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- Looking at all options
- Evaluating how the EDAM sales would work and what the costs could be
- Looking for a buyer for 10-50 MW
- Exploring opportunities for additional storage
- Planning to use as much PV as possible in FY28

Thank you! Questions?

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