



Your monthly report from Your Socorro Electric Cooperative, Inc.

"M" Mountain provides a scenic backdrop for a SEC lineman "keeping the lights on" (Photo credits: Marilyn Madrid)

SEC Board of Trustees file for Declaratory Judgement against City of Socorro

Socorro Electric Cooperative (SEC) was created seventy-four years ago by its member/owners to provide safe and reliable electric service to all its Members within the SEC service area, including those living in Socorro. The City of Socorro (the City) has begun efforts to create a municipal electric utility to serve some of SEC's largest users of power. This "cherry picking" would force SEC to raise rates on ALL residential consumers, inside and outside of the city limits, as well as on the other rate classes outside the city limits.

On March 13, 2018, legal counsel for the City threatened SEC with trespass actions beginning on January 1, 2020, if SEC entered any right of way located within the City's industrial corridor. This industrial corridor currently serves these larger business customers which the City has targeted, and which are current SEC member/owners. Entry into the designated right of way is essential for SEC employees to continue meeting SEC members'/owners' electric service needs.

The City's threat of trespass actions concerns the elected SEC Board of Trustees regarding interference with service to current SEC member/owners, within and outside of the City. SEC has tried diligently to find a compromise to the City's threat. SEC Board of Trustees had meetings with both the Mayor and City Council Members; also, SEC's General Manager conducted a separate meeting with the City Administrator in the summer of 2019. Both meetings were held in an effort to avoid interference with SEC's delivery of electric services, or duplication of delivery of electric services, within the City limits. Unfortunately, these meetings were not successful.

With the upcoming date specified in the March 13, 2018, "Notice of Trespass", SEC's Trustees have been forced to file for Declaratory Judgement on behalf of the entire SEC membership. SEC is asking the Court to assist in resolving the City's threat and to protect the rights and obligations of both SEC and the City going forward.

Actions by City of Socorro Factor into Board's Decision of Solar Proposals

On July 29, 2019 SEC issued a Request for Proposal (RFP) for a Solar Renewable Project to be located within SEC's service area. SEC received four (4) responses to this RFP from solar developers. SEC's Board of Trustees reviewed these submissions at the November 22, 2019 board meeting.

The option for SEC to consider buying power from a renewable project like this is made possible by an allowance in the contract SEC has with its wholesale power provider, Tri-State Generation & Transmission (Tri-State), based in Westminster, Colorado. The provision provided by Tri-State would permit SEC to buy power from a renewable project in the 2.6 to 2.8 MW size range, which was the basis for the initial RFP. The pricing in the responses SEC received at that scale, were relatively competitive to the wholesale rate currently paid by SEC to Tri-State, considering the power production from the solar facility is only available about 30% of a calendar year.

The stated desire by the City of Socorro to create a municipal electric utility has been solidified by their recent action to engage in contract discussions with Guzman Energy to provide wholesale power. If the City is successful in this endeavor, it would take customers, such as New Mexico Tech and businesses

located in the Industrial Park area of Socorro, away from SEC. This loss would be significant enough that the original sized solar facility proposed, coupled with the loss of energy sales to the City, would put SEC in violation of the 5% allowance provided by Tri-State in its wholesale power contract. SEC honors all of its contractual obligations - the contract we have with our Members to provide affordable and reliable power and the wholesale contract we have with Tri-State. Therefore, the Board was forced to reduce the size for the RFP to about 1 MW to reflect this potential loss in load.

The reduced size was provided to the respondents of the original RFP for revised pricing. Unfortunately, the reduced size of the project impacted the economies of scale that can be realized from larger projects. The updated pricing, coupled with the provisions extended by Tri-State, did not produce a positive net benefit to SEC over the life of the renewable project.

Recently, Tri-State added another allowance in its contract with distribution cooperatives for solar gardens, limited to 2% of the Cooperative's total load. The potential loss of load to the City of Socorro will reduce the allowable size of a solar garden for SEC, limiting the size of system and reducing the number of members that would be allowed to participate. SEC will evaluate this new provision and the opportunities it may present for our Members.

CONTACT US

WEBSITE

www.socorroelectric.com

PHONE

800-351-7575 or 575-835-0560

PAYING YOUR BILL

You can make your payment over the phone by check or major credit card, 24 hrs. a day, 7 days a week with our IVR phone system at no charge.

OFFICE HOURS

Monday through Friday
8:00 a.m. to 4:30 p.m.

REPORTING AN OUTAGE

Before reporting a power outage, please check the circuit breakers in your house first. If you still do not have power after checking your breakers, please call **(575) 835-0560, (800) 351-7575 or 855-881-8159**.

If you get a busy signal, it is an indication that someone else is experiencing an outage as well; however please continue to call, this will help us pinpoint the problem.

MEMBER SERVICE/BILLING

Marilyn Madrid - Member Service Supervisor
575-835-0560 Ext 1504

ACCOUNTING

Rauni Montoya - Accounting Supervisor
575-835-0560 Ext 2502

LINE EXTENSIONS

Bill Harris - Staking Technician
575-835-0560 Ext 2503

MARKETING & PUBLIC AFFAIRS

Jimmy Capps - Director of Communications & Public Affairs - 575-838-9724
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November 2019 Board Report - the Board....

11/22 Regular Meeting

- reviewed the submitted responses to the Solar Renewable Project RFP.
- approved the closing of the SEC Offices for December 24th.
- set the next Board Meeting for December 19, 2019 at 2:00 p.m.

11/25 Special Meeting

- directed legal counsel to file a Declaratory Judgement for SEC.

Did you know...? that we have 2 different numbers you can call to report a power outage? You can call 800-351-7575 (toll free) or 855-881-8159 (not toll free).