

**MINUTES OF THE
ENERGY TASK FORCE
of the
CITY OF SANTA FE / SANTA FE COUNTY
REGIONAL PLANNING AUTHORITY**

**4 PM, Monday, November 15, 2010
Santa Fe, New Mexico**

The Regular Meeting of the Energy Task Force (ETF) of the City of Santa Fe / Santa Fe County Regional Planning Authority (RPA) was called to order by Chair Chris Calvert at approximately 4:10 PM on the above-cited date in the legal conference room of the Santa Fe County Administration Building.

ROLL CALL

Chris Calvert, Chair
Kathy Holian, Vice Chair
Randy Grissom
Brendan Miller
David Van Winkle

Members Absent:

David Griscom
Craig O'Hare

Others Present:

County of Santa Fe
Mary Jane Parks, Energy Consultant
Duncan Sill, Economic Development Planner
City of Santa Fe
Nick Schiavo, Energy Planner

APPROVAL OF AGENDA

Chair Calvert suggested that Action Item VIIa, Scope of Services for the Economic and Legal Feasibility Study for a Municipally Owned Utility, be moved prior to Matters From Staff Item V.

Chair Calvert moved to approve the agenda, as amended, seconded by Mr. Grissom and approved unanimously.

APPROVAL OF MINUTES

- **October 14, 2010**

Ms. Holian moved to approve the Minutes from October 14, 2010, seconded by Mr. Grissom and approved unanimously.

PETITIONS FROM THE PUBLIC

No public was present.

ACTION ITEMS

- **Scope of Services for the Economic and Legal Feasibility Study for a Municipally Owned Utility.**

Chair Calvert referred to the handout listing the scope of work and suggested that it still needed to have some revisions made. The Task Force members reviewed the scope of work and reached agreement on the following:

Scope of Work

Economic Feasibility Study of a Locally-Controlled Municipal Electric Utility

Cost-benefit analysis to include the following:

1. Gather baseline information on residential and commercial electricity sales and trends from 2001 to the present.
2. Project and itemize cost of establishment of a municipally-owned utility, including the cost of buying PNM's infrastructure (poles and wires).
3. Estimate costs of annual operation and maintenance going into the future.
4. Project requirements for power to be supplied to Santa Fe for the next 20 years.
5. Estimate rates for electricity purchases under the following scenarios (and compare with projections of what the national average might be):
 - A. PNM continues to own the utility;
 - B. Utility is municipally-owned and power is purchased from PNM;
 - C. Utility is municipally-owned and power is purchased on the wholesale market;
 - D. Utility is municipally-owned and power is purchased on the wholesale market with aggressive energy efficiency programs;
 - E. Utility is municipally-owned and power is purchased through a renewable energy feed-in tariff with aggressive energy efficiency programs.
6. Perform a sensitivity analysis on the various assumption variables: i.e., consider costs for replacing or upgrading facilities; costs of capitalization, water, carbon, fuel, etc.
7. Estimate costs and other consequential benefits of energy efficiency.
8. Estimate economic benefits to the city and county revenue (including jobs, local

multipliers).

9. Make recommendation for optimal timing of establishment of a municipally-owned utility, accounting for inflation and other future regulatory changes.

Commissioner Holian said that she will email the scope of work to the ETF members, and it will be attached to the letter being presented to the RPA with the recommendation for funds for an economic feasibility study.

Mr. Van Winkle moved to approve the Scope of Work as discussed and amended, seconded by Mr. Grissom, and unanimously approved.

MATTERS FROM STAFF

- **Discussion regarding the joint funding of an economic and legal feasibility study with the New Energy Economy (NEE)**

Mr. Schiavo presented the letter to the RPA recommending allocation of \$20,000 for the economic and legal feasibility study. New Energy Economy will contribute \$10,000 towards the study.

Mr. Miller asked what would happen if the consultants respond to the RFP saying what is being proposed would cost \$100,000.

Chair Calvert said that the respondents to the RFP will say what they can do, and some of the scenarios may need to be consolidated. Ms. Nanasi from New Energy Economy has expressed her comfort with the \$30,000 amount suggested.

Commissioner Holian added that her experience with RFPs in the past is that a scope of work is outlined, and responses come in with how much it will take to accomplish the scope of work. Then the negotiation begins.

DISCUSSION ITEMS

- **Energy Efficiency – City and County Government and Local Businesses**

Commissioner Holian stated that the County has a small energy efficiency program it is working to implement with Los Amigos. Los Amigos would do the interior part of residential units for low income qualified people and the County would contribute up to \$10,000 for the outside of the house and new roofs. The County has about \$200,000 available for this program.

Mr. Sill explained the County's contribution is coming out of affordable housing funds. Los Amigos works with very low income and there may be few candidates.

Chair Calvert suggested that they talk to Homewise to see what income ranges they were working with.

Since Mr. Schiavo left the meeting early, it was suggested that this item be brought back to the next meeting for his input.

MATTERS FROM THE ENERGY TASK FORCE

▪ PACE Programs

Mr. Sill stated that PACE Renewable Funding has been working on developing elements that can create a commercially viable program, and representatives will be in Santa Fe at the end of November to visit with stakeholders.

Mr. Sill reported that he and Mr. Schiavo made presentations at Applied Solutions. Mr. Schiavo presented the City's water treatment project. Mr. Sill was counterpoint and talked about processes and return on investment, sensitivity analysis, and at what point is it necessary to go beyond a simple equation of return on investment. Costs and how they would be measured in terms of decision framework under which infrastructure improvements take place and contribution to resource and capacity development on the local level. How do you stabilize equity in a particular region to prevent leakage in terms of economic and natural resources. There was large participation, and they sat down with people they have been talking to from Washington DC. He added that there is going to be lack of funding for things like CDBG programs, and there is concern about the environment that is forthcoming.

They have been invited to participate on the federal level with the Sustainable Communities Partnership. Mr. Sill commented that they did not get the grant, but will receive technical assistance in applying for the grant if funding is available.

Chair Calvert said that Santa Fe City and County should operate under the assumption that they are self-sufficient and any funds received from either state or federal would be icing on the cake. He requested that Mr. Sill keep the ETF informed via email.

Mr. Sill said he will package the information and arrange it in categories focused on a platform that can be used on the local level and facilitate use of possible regional and national funds. It is recognized that, as a region, there is the investment potential for a muni, managing natural resources, and the economic effects of job creation that promotes the right industries and workforce development.

• Strategic Plan

Chair Calvert said he was not ready to fully discuss the strategic plan. He said it will include a statement and goal for being energy independent that can be defined on different levels such as individuals, neighborhoods, and community-wide. Three main objectives would be reducing greenhouse gases, controlling the price of energy and stimulating the local economy. The muni is a subset of an overall plan.

He felt that pie charts should be used because they make it easier to see things than reading text. Much of the information is already available. This would include the supply and type of power, government regulations and incentives. Once that has been delineated, they can start getting into strategy that will help reduce local demand so that PNM would have less revenue.

Chair Calvert said he will bring an outline to the next meeting for the ETF to discuss.

DATE AND TIME FOR NEXT ETF MEETING

The next meeting of the ETF is scheduled for Tuesday, December 9, 2010. Mr. Schiavo will work with the members to be sure there will be a quorum.

The agenda for the next meeting will include discussion of the strategic plan, energy efficiency and an update on the RPA meeting.

ADJOURNMENT

There being no further business to come before the ETF, this Regular Meeting was adjourned at approximately 5:25 PM.

Approved by:



Chair, RPA Energy Task Force
Chris Calvert, Councilor, City of Santa Fe

Drafted by Kay Carlson



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss :

ENERGY TASK FORCE MIN
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I Hereby Certify That This Instrument Was Filed for
Record On The 10TH Day Of February, 2011 at 10:50:13 AM
And Was Duly Recorded as Instrument # 1626370
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy _____ County Clerk, Santa Fe, NM

CITY CLERK'S OFFICE
DATE 11-8-10 TIME 12:10
SERVED BY Nick Schiav
RECEIVED BY [Signature]

Meeting of Energy Task Force
Santa Fe County Building
Legal Conference Room, 102 Grant Avenue
Monday, November 15, 2010
4:00 pm- 5:30 pm

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. APPROVAL OF MINUTES
 - A. Minutes of October 14,2010
- IV. PETITIONS FROM THE PUBLIC
- V. MATTERS FROM STAFF
 - a. Discussion regarding the joint funding of an economic and legal feasibility study with the New Energy Economy
- VI. DISCUSSION ITEMS
 - a. Strategic Plan
 - b. Energy Efficiency – City and County Government and Local Businesses
- VII. ACTION ITEMS
 - a. Scope of services for the Economic and Legal Feasibility Study for a Municipally Owned Utility
- VIII. MATTERS FROM THE ENERGY TASK FORCE
- IX. DATE AND TIME FOR NEXT ETF MEETING
December 9, 2010
- IX. ADJOURNMENT