

CITY of ALBUQUERQUE

TWENTY-FIRST COUNCIL

COUNCIL BILL NO. R-15-257 ENACTMENT NO. _____

SPONSORED BY: Isaac Benton

1 RESOLUTION

2 DIRECTING THAT THE CITY PURSUE A PARTNERSHIP WITH BERNALILLO
3 COUNTY AND POTENTIALLY OTHER LOCAL GOVERNMENTS FOR ENERGY
4 REPRESENTATION BEFORE THE PRC, AND WITHDRAW FROM THE NEW
5 MEXICO INDUSTRIAL ENERGY CONSUMERS ASSOCIATION (NMIEC).

6 WHEREAS, “NMIEC is an organization of large and industrial consumers of
7 electricity and natural gas in the State of New Mexico;” and

8 WHEREAS, the City of Albuquerque has been a dues paying member of
9 NMIEC since approximately 2011; and

10 WHEREAS, prior to approximately 2011, the City’s representation before
11 the Public Regulation Commission was managed and staffed directly by the
12 City Attorney, and subsequently was entrusted to NMEIC; and

13 WHEREAS, part of NMIEC’s role has been to represent the City’s interests
14 with respect to a Stipulation Agreement submitted to the Public Regulation
15 Commission (PRC) on October 1, 2014, in docket No. 13-00390-UT (the
16 “Stipulation Agreement”) and related matters; and

17 WHEREAS, the City initially participated in the Stipulation Agreement
18 based on representations that the Stipulation Agreement represented the least
19 cost plan to ratepayers; and

20 WHEREAS, on April 6, 2015, the City Council adopted a resolution
21 withdrawing its support for the Stipulation Agreement because, since the time
22 of its filing, the costs and economics of certain elements of the Agreement
23 had changed to the detriment of the City and its ratepayers; and

24 WHEREAS, after the City withdrew its support for the initial stipulation,
25 which was presented to the City by NMIEC as the final and best possible
26 outcome, a revised and amended stipulation was developed which was

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1 somewhat closer, although still not in complete alignment, with the City's
2 goals; and

3 WHEREAS, although the City as an entity is a large-scale energy consumer
4 similar to other members of NMIEC, the City is unique in that it has an
5 obligation to use its resources to advance the best interests of its constituent
6 residents and businesses who are also PNM ratepayers; and

7 WHEREAS, to the extent that the City uses its resources to promote the
8 interests of only large and industrial consumers of energy, it could effectively
9 be advocating against its own constituents and the citizen tax payers that
10 largely fund municipal government; and

11 WHEREAS, even to the extent that the City has some rate classes and
12 consumption quantities in common with other NMIEC members, the City is
13 unique as an entity because its electric demands span multiple rate classes,
14 and because it has unique energy needs such as powering street lights and
15 traffic signals, and it is not an industrial consumer; and

16 WHEREAS, the current rate proposal before the PRC provides a 4.8% rate
17 reduction for manufacturing while increasing residential rates 7.9%, small
18 commercial 7%, and general power (the largest category of the City's own use)
19 by 5.17%

20 WHEREAS, the City Council finds that, given these broader interests, it
21 cannot be adequately represented by NMIEC which focuses primarily on
22 advancing the interests of its large-scale and industrial members, and that the
23 City should instead seek partnerships with other local governments such as
24 Bernalillo County and the City of Santa Fe that provide similar services and
25 have similar responsibilities to those of the City; and

26 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
27 ALBUQUERQUE:

28 Section 1. PARTNERSHIP WITH BERNALILLO COUNTY. The City shall
29 work with Bernalillo County to execute a Memorandum of Agreement to
30 facilitate a system for joint representation before the New Mexico Public
31 Regulation Commission in the forthcoming rate case and similar energy
32 related matters before the PRC as appropriate. The City Legal Department is
33 hereby directed to work with the Bernalillo County Legal Department to

1 develop a protocol for joint representation consistent with the MOA, and
2 discussions with the County to pursue longer-term, broader coordination with
3 other local governments. In the event that these efforts are unsuccessful, the
4 City Legal Department shall prepare an estimate of the cost for its own
5 representation and present it to the Council for possible funding.

6 Section 2. WITHDRAWAL FROM NMIEC. The City shall withdraw its
7 membership from the New Mexico Industrial Energy Consumer's Association
8 upon execution of the MOA with Bernalillo County, or upon the Council's
9 approval of funding for its own representation as described in Section 1
10 above.

11 Section 3. APPROPRIATION.

12 That the following designation is hereby made from the existing General Fund
13 program strategy for operating City government in fiscal year 2016:

14 GENERAL FUND – 110

15 Legal Department

16 Legal Services

17 \$65,000 of this appropriation is designated for the cost of joint representation
18 by outside legal counsel, in collaboration with Bernalillo County, as described
19 in Section 2.

20 Section 4. SEVERABILITY. If any section, paragraph, sentence, clause,
21 word, or phrase of this resolution is for any reason held to be invalid or
22 unenforceable by any court of competent jurisdiction, such decision shall not
23 affect the validity of the remaining provisions of this resolution. The Council
24 hereby declares that it would have passed this resolution and each section,
25 paragraph, sentence, clause word phrase irrespective of any provisions being
26 declared unconstitutional or otherwise invalid.

27 Section 5. EFFECTIVE DATE. This resolution shall take effect five days
28 after publication by title and generally summary.

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