

SEC amends its declaratory judgment filing

By Wanda Moeller, El Defensor Chieftain Editor Feb 13, 2020

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Socorro Electric Co-op is back in the news again, after it filed an amendment to its declaratory judgment stating the City of Socorro “by its actions will compromise SEC’s right and obligation to serve its customers.”

The document, filed on February 6, in District Court amends its complaint filed last month.

In the complaint, SEC asserts an agreement between the two parties has not been renewed and continues to be in effect until at least 25 years from the date of execution until at least 2024.

SEC says it is obligated by the agreement to “continue to provide electric power to its customers and members of SEC to which the city intends to deliver the same electric power once the Long-Term Wholesale Power Supply, Scheduling Services and Project Capital Financing for starting an electric delivery system is completed pursuant to the ordinance.”

In August of 2018, the document notes the city issued a request for proposals seeking competitive sealed bids for long term power supply, including scheduling services and capital financing. In July 2019, SEC claims the city awarded a contract based on the RFP to Guzman Energy to start an electric delivery system.

“By requesting proposals from bidders, proceeding to receive them and evaluate them, and awarding the contract and negotiating with Guzman Energy, the City is in anticipatory breach of the agreement, if the parties do not renegotiate that agreement or if the City decided to construct a transmission line in the city to deliver alternative electric service,” SEC’s Attorney Lorna Wiggins wrote in the court document. “The city has unequivocally indicated its intention to breach the agreement by taking steps to solicit bids, soliciting such bids and acting to award a contract for long-term wholesale power supply...for starting an electric delivery system to Guzman Energy.

The court document also points out that in July 2007, SEC entered into an agreement with Tri-State Generation and Transmission Association, which remain in effect until December 31, 2050.

“If the City is permitted to build a transmission station and begin providing power to the same customers as SEC, SEC will be irreparably harmed because it entered into a contract with Tri-State to provide electric service which it will no longer need and cannot pay for,” Wiggins wrote.

SEC also said the City of Socorro “threatened SEC that, after January 1, 2020, SEC “shall be considered in trespass of that right-of-way located in the city’s industrial corridor” which, Wiggins pointed out, is designated to one of the certain areas the city intends to deliver electricity.

The City of Socorro, SEC also states, has not indicated a “willingness to extend or renegotiate the agreement with SEC.”

SEC wants the court to rule: An agreement with SEC will remain in full force and in effect until at least 2024 or until the parties renegotiate the agreement; State that the City of Socorro has breached its agreement by issuing an RFP and accepting bids; Declare that SEC can’t be considered trespassing in the city’s industrial corridor; Find the city liable for an inverse condemnation and; Find that the City of Socorro must pay for compensation for taking SEC’s customers and property.

No court date has been set to hear the case. Judge Shannon Murdock has been assigned to hear the case.