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Mayor: City buyout of SEC grid would mean cheaper rates -

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Mayor Ravi Bhasker believes the City of Socorro can sell electricity to residents cheaper than the Socorro Electric Cooperative.

The Socorro City Council moved a step in that direction at its meeting Monday night. The Council approved an RFP (Request for Proposals) from companies that would provide electricity for the entire area served by the SEC.

“We have been approached by two large companies that said that they are willing to finance our project to acquire the whole grid of Socorro Electric Co-op, not Socorro, not Lemitar, but the whole grid that goes out west, south, north,” Bhasker said. “They are willing to look at that as an investment and allow the City Council to be the board.”

In between that time, Bhasker said, members of the Co-op would have to vote to sell it. SEC General Manager Joseph Herrera and Director of Community Relations and Public Affairs Jimmy Capps told The Chieftain in an interview last year that by-laws allowed the membership to dissolve the Co-op.

“This is the beginning of a request for proposals of long-term wholesale power supply, scheduling services and project capital financing,” Bhasker said. “We have broken it up in phases, but the eventual phase is the acquisition of the whole project.”

Bhasker said the first phase could be the industrial park and New Mexico Tech. The second phase could include the city of Socorro.

“But the final phase is the acquisition of the whole grid,” Bhasker said.

Bhasker said the City exploring operating its own electric utility follows a regional trend, and mentioned municipalities in Colorado that were taking similar actions to improve their electric rates.

Bhasker said he believed the City would be a “good owner and provide services throughout this area.”

“There are many different ways to go after this,” Bhasker said. “This is just the start.”

Councilor Michael Olguin Jr. said the City needed to have as many options on the table as possible.

“I think the information from this RFP will help, too,” Olguin said. But he felt the Council and the community needed more information before a decision could be made about the issue. He indicated the need for an overview for the Council and the community of the feasibility study that was released last year.

“I want to be comfortable that we’re making the right decision, because whatever decision that we start making now is going to affect us for a long period of time,” Olguin said. “... I’m all for it if this is going to save the community money. I’m all for it if it is going to entice community development.”

“I want to feel comfortable that we’re making the right decision and the numbers do add up,” Olguin said.

Bhasker said the City “has not had any luck talking to the Co-op.”

“I sat in their meeting for two hours, gave a five minute talk, and they had all of the big shots from Tri-State (Energy) come down in a jet,” Bhasker said. “...I didn’t have one commissioner say ‘hey, what’s the idea here.’ Not one. Everybody was just mum. I left with my tail between my legs.”

Bhasker said it was getting harder for local businesses to run and do other innovations because of the rates charged by the SEC.

“Tech, if they bring someone here and generate industry without broadband and cheaper electricity, they are not going to stay here,” Bhasker said.

Bhasker cited the SEC residential rate as more than 16 cents per kilowatt hour with all of the added costs built in.

Councilor Peter Romero raised questions about financing. Bhasker said companies would be paying up-front costs themselves.

Both Olguin and Romero supported the measure requesting the proposals.