

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-____ PNM Rate Case Intervention

SPONSOR(S): Councilors Ives

SUMMARY: The proposed resolution directs staff to intervene in case #13-00390-UT that is currently before the New Mexico Public Regulation Commission – in the matter of the application of the Public Service Company of New Mexico for approval to abandon San Juan Generating Station Units 2 and 3, issuance of certificates of public convenience and necessity for replacement power resources, issuances and accounting orders and determination of related rate making principles and treatment.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: Yes

DATE: March 7, 2014

ATTACHMENTS: Resolution
FIR
Table – City of Santa Fe Electric Cost for FYE 6-30-2013

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-____

3 INTRODUCED BY:

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5 Councilor Peter Ives

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10 A RESOLUTION

11 DIRECTING STAFF TO INTERVENE IN CASE #13-00390-UT THAT IS CURRENTLY
12 BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION – IN THE MATTER
13 OF THE APPLICATION OF THE PUBLIC SERVICE COMPANY OF NEW MEXICO FOR
14 APPROVAL TO ABANDON SAN JUAN GENERATING STATION UNITS 2 AND 3,
15 ISSUANCE OF CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR
16 REPLACEMENT POWER RESOURCES, ISSUANCES AND ACCOUNTING ORDERS AND
17 DETERMINATION OF RELATED RATE MAKING PRINCIPLES AND TREATMENT.

18
19 WHEREAS, the City of Santa Fe is committed to limiting the creation of greenhouse gasses
20 as evidenced by the City's endorsement of the U. S. Conference of Mayors Climate Protection
21 Agreement; the adoption of the Sustainable Santa Fe Plan (Resolution 2008-93); the establishment of
22 the Sustainable Santa Fe Commission; and the passing of Resolutions addressing these concerns,
23 Resolution Numbers 2009-45, 2011-17, 2012-12, 2013-12, and 2013-12, among others); and

24 WHEREAS, the City of Santa Fe purchases nearly \$6,000,000 of electricity and related
25 services from the Public Service Company of New Mexico (PNM) each year; and

1 **WHEREAS**, electricity costs account for nearly fifty-six percent (56%) of the City of Santa
2 public utility operating budget, and any increases in electric costs are passed onto City utility
3 customers; and

4 **WHEREAS**, in the interest of the health, safety and welfare of the residents of the city of
5 Santa Fe, the Governing Body desires to intervene in Case #13-00390-UT.

6 **NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE**
7 **CITY OF SANTA FE** that the Governing Body hereby directs staff to intervene in Case #13-00390-
8 UT that is currently before the New Mexico Public Regulation Commission – In the Matter of the
9 Application of the Public Service Company of New Mexico for Approval to Abandon San Juan
10 Generating Station Units 2 and 3, Issuance of Certificates of Public Convenience and Necessity for
11 Replacement Power Resources, Issuances and Accounting Orders and Determination of Related Rate
12 Making Principles and Treatment, and to engage outside counsel to represent the City’s interest
13 before the PRC

14 PASSED, APPROVED, and ADOPTED this ____ day of _____, 2014.

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17 ATTEST:

JAVIER M. GONZALES, MAYOR

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20 _____
YOLANDA Y. VIGIL, CITY CLERK

21 APPROVED AS TO FORM:

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23 _____
24 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

25 *M/Melissa/Resolutions 2014 /PNM Rate Case Intervention*

City of Santa Fe		
Summary of information		
Electric Cost for FYE 6-30-2013		
Account Number	Account Description	Actual Expenditures
12002.514050	Electric	13,139.27
12029.514050	Electric	7,822.33
12034.514050	Electric	195,290.10
12049.514050	Electric	738,338.17
12053.514050	Electric	157,883.11
12057.514050	Electric	59,738.91
12089.514050	Electric	66,843.17
12097.514050	Electric	33,585.92
12102.514050	Electric	32,414.03
12112.514050	Electric	157,907.29
12119.514050	Electric	79,433.15
12124.514050	Electric	13,930.38
22774.514050	Electric	52,205.20
52102.514050	Electric	120,847.63
52155.514050	Electric	70,799.86
52251.514050	Electric	7,327.14
52501.514050	Electric	74,147.98
52600.514050	Electric	167,806.75
52702.514050	Electric	360,574.83
52800.514050	Electric	47,851.49
52300.514050	Electric	1,433,961.43
52402.514050	Electric	33,259.56
52452.514050	Electric	612,368.94
7280000.514050.730610	Electric -	9,744.35
7280000.514050.730710	Electric -	166,311.26
7280000.514050.731210	Electric -	13,589.16
7280000.514050.731310	Electric -	441,096.13
7280000.514050.731810	Electric -	15,915.64
7280000.514050.731910	Electric -	417,515.75
Total Electric Cost for City, SV		5,601,648.93
52300.514050	Electric	1,433,961.43
52402.514050	Electric	33,259.56
52452.514050	Electric	612,368.94
7280000.514050.730610	Electric -	9,744.35
7280000.514050.730710	Electric -	166,311.26
7280000.514050.731210	Electric -	13,589.16
7280000.514050.731310	Electric -	441,096.13
7280000.514050.731810	Electric -	15,915.64
7280000.514050.731910	Electric -	417,515.75
Total Electric Cost for Public Utilities Relatede to Rates		3,143,762.22
	% of total cost	56%

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): A RESOLUTION DIRECTING STAFF TO INTERVENE IN CASE #13-00390-UT THAT IS CURRENTLY BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION - IN THE MATTER OF THE APPLICATION OF THE PUBLIC SERVICE COMPANY OF NEW MEXICO FOR APPROVAL TO ABANDON SAN JUAN GENERATING STATION UNITS 2 AND 3, ISSUANCE OF CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR REPLACEMENT POWER RESOURCES, ISSUANCES AND ACCOUNTING ORDERS AND DETERMINATION OF RELATED RATE MAKING PRINCIPLES AND TREATMENT.

Sponsor(s): Councilor Ives

Reviewing Department(s): Public Utilities

Persons Completing FIR: Nick Schiavo Date: 3/3/14 Phone: 955-6693

Reviewed by City Attorney: Kelly A. Brennan Date: 3/7/14
(Signature)

Reviewed by Finance Director: Jerosita Garcia Fer Date: 3/7/14
(Signature) Marcos Tapia

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:
 Governing Body would direct staff to intervene in Case #13-00390-UT that is currently before the New Mexico Public Regulation Commission - In the Matter of the Application of the Public Service Company of New Mexico for Approval to Abandon San Juan Generating Station Units 2 and 3, Issuance of Certificates of Public Convenience and Necessity for Replacement Power Resources, Issuances and Accounting Orders and Determination of Related Rate Making Principles and Treatment, and to engage outside counsel to represent the City's interest before the PRC.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected - usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" - if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: _____

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____ 14/15	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
	Personnel*	\$ _____	A _____	NR _____	\$ _____	_____	_____	_____
	Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____
	Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____
	Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____
	Professional Services	\$50,000	_____	_____	\$ _____	_____	_____	52300 510200
	All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____
	Total:	\$50,000	_____	_____	\$ _____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
	_____	\$ _____	_____	\$ _____	_____	_____
	_____	\$ _____	_____	\$ _____	_____	_____
	_____	\$ _____	_____	\$ _____	_____	_____
	Total:	\$ _____	_____	\$ _____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The \$50,000 would be used to retain legal counsel to represent the City in the intervention.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff is aware of.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The City of Santa Fe will see its electric rates (demand and customer charges) increase, if it is not represented during this PRC case.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

Failure to intervene in this PRC case will result in increased electric costs for the City of Santa Fe. In turn, a portion of those costs will be directly passed on to the public through increased water and wastewater rates. The City of Santa Fe pays over \$3M each year for electricity and related services from PNM. An increase of 10 percent or \$300k is not out of the question for the issues being considered in this docket.

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-__

Replacement Power – Energy Plan

SPONSOR(S): Councilors Rivera, Dimas, Calvert, Dominguez, Trujillo and Bushee

SUMMARY: The proposed resolution relates to the Replacement Power/Energy Plan Proposed by PNM to replace 836 Megawatts at the San Juan Generating Station. Additionally, the resolution urges the New Mexico Public Regulation Commission to reject PNM's Replacement Plan and Claim for Cost Recovery of Stranded Assets and support an alternative renewable-energy based replacement plan.

Councilor Ives has proposed an amendment to the resolution, per the attached amendment sheet.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: March 7, 2014

ATTACHMENTS:

Amendment Sheet
Resolution
FIR
Action Sheet – 2/5/14 Public Utilities Committee
Action Sheet – 2/17/14 Finance Committee
Minutes – 2/26/14 Council

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2014-__
Replacement Power – Energy Plan

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2014-__:

1. On page 7, *delete* line 10 and *insert* the following, in lieu thereof:
 “urges the PRC to set a date certain for the closure of Unit 1, as soon as is practicable.”
2. On page 7, line 14, after NM, *delete* “PUC” and *insert* “PRC” in lieu thereof.
3. On page 7, line 18, after “case” *insert* #13-00390-UT pending”
4. On page 7, line 20, after “resolution to”, *delete* “the”.

Respectfully submitted,

Peter Ives, Councilor

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-__

3 INTRODUCED BY:

4
5 Councilor Chris Rivera

Councilor Bill Dimas

6 Councilor Chris Calvert

Councilor Carmichael Dominguez

7 Councilor Ron Trujillo

Councilor Patti Bushee

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9
10 A RESOLUTION

11 RELATING TO THE REPLACEMENT POWER/ENERGY PLAN PROPOSED TO
12 REPLACE 836 MEGAWATTS AT THE SAN JUAN GENERATING STATION; URGING
13 THE NEW MEXICO PUBLIC REGULATION COMMISSION TO REJECT PNM'S
14 REPLACEMENT PLAN AND CLAIM FOR COST RECOVERY OF STRANDED ASSETS
15 AND SUPPORT AN ALTERNATIVE RENEWABLE-ENERGY BASED REPLACEMENT
16 PLAN.

17
18 WHEREAS, on February 15, 2013, Governor Susanna Martinez, the Public Service
19 Company of New Mexico (PNM), and the Environmental Protection Agency (EPA) announced an
20 agreement to close San Juan Generating Station (SJGS) Units 2 & 3 (836 megawatts), install
21 pollution controls on Units 1 & 4, and reduce state permit levels for nitrogen oxides and sulfur
22 dioxides; and

23 WHEREAS, the City of Santa Fe applauds the agreement between Governor Martinez, PNM
24 and the EPA to close SJGS Units 2 and 3, to install pollution controls, and to reduce state permit
25 levels for nitrogen oxides and sulfur dioxides as referenced in the Revised State Implementation Plan;

1 and

2 **WHEREAS**, PNM's replacement power plan submitted to the Public Regulation
3 Commission (PRC) on December 20, 2013, includes the following:

- 4 (1) PNM is owner of 50% of units 2 & 3, or 418 megawatts;
- 5 (2) The purchase of 78 megawatts more coal from SJGS Unit 4 for 52.5 million dollars;
- 6 (3) A certificate of public convenience and necessity to import nuclear generation (134
7 megawatts) from Palo Verde Nuclear Plant in Arizona for rate-base valuation of \$335
8 million dollars;
- 9 (4) The construction of a new natural gas plant (177 megawatts) cited in Farmington
10 despite the fact that Farmington does not have any PNM customers for \$189 million;
- 11 (5) Possibly construct 40 megawatts of utility scale solar power;
- 12 (6) Full recovery of the \$205 million dollars in un-depreciated asset for the closure of
13 SJGS Units (also known as "stranded assets"); and
- 14 (7) Pollution controls on SJGS Units 1 and 4 for 82 million dollars; and

15 **WHEREAS**, climate scientists worldwide are in near-unanimous agreement that the planet is
16 warming rapidly and to a degree that is perilous to human civilization, to numerous species and to the
17 global ecosystem and that the primary cause of that warming is human activity, especially through the
18 accelerating combustion of fossil fuels that create CO₂ as a byproduct; and

19 **WHEREAS**, according to the 2013 IPCC Report Atmospheric concentrations of CO₂,
20 methane and nitrous oxide have increased to levels unprecedented in the last 800,000 years, and CO₂
21 concentrations have increased by 40% since pre-industrial times and every additional release of
22 greenhouse gases diminishes our chances of avoiding catastrophic climate change; and

23 **WHEREAS**, further delay in responding to this crisis increases the risk of catastrophic
24 climate change, imminently threatens low-lying coastal areas and land and sea species, threatens
25 water supplies, increases the frequency of severe weather events, reduces the time available and

1 increases the cost of undertaking adequate responses, and increases risks to the global economy; and

2 **WHEREAS**, the burning of coal is the number one contributor to global CO₂ emissions
3 worldwide and in the state of New Mexico is responsible for more than 12 million tons of CO₂
4 emissions annually; and

5 **WHEREAS**, the burning of coal releases toxic pollutants including nitrogen oxides, sulfur
6 dioxides, and mercury that contaminate our soil and water and that are proven to cause serious health
7 conditions such as asthma, lung, and heart disease and cancer; and

8 **WHEREAS**, a 2012 analysis by a nationally recognized Environmental Medicine NYU
9 Professor, Dr. George Thurston, found that over the last five years PNM's failure to comply with the
10 necessary pollution reductions at the San Juan coal plant has cost \$240 million in public health care
11 costs (asthma, lung disease, heart disease, and hospitalizations); and

12 **WHEREAS**, according to the 2013 Community Health Profile Study commissioned by Santa
13 Fe County and CHRISTUS St. Vincent Regional Medical Center, 24% of Santa Fe County high
14 school students have been diagnosed with asthma; and

15 **WHEREAS**, the combustion of coal and nuclear energy are the most water intensive ways to
16 produce electricity; and

17 **WHEREAS**, the SJGS plant consumes 6 billion gallons of water annually, which is the
18 equivalent to 11,000 gallons a minute; and

19 **WHEREAS**, after the water is used, the toxic produced water is stored in large open air pits
20 to evaporate and contaminate our air, and has poisoned groundwater; and

21 **WHEREAS**, Governor Martinez has issued a formal drought declaration that encompasses
22 the entire state of New Mexico; and

23 **WHEREAS**, according to the U.S. Drought Monitor, one hundred percent of New Mexico
24 was in moderate drought at some point during 2012, with over ninety percent in severe status; and

25 **WHEREAS**, communities exist where drinking water supplies are threatened due to the

1 cumulative effects of drought; and

2 **WHEREAS**, the State of New Mexico has suffered through numerous natural disasters
3 associated with the drought, including crop production loss, severe wild fires, and flooding due to
4 severe wild fires; and

5 **WHEREAS**, “Drought conditions can create serious problems for many New Mexico
6 communities, farms, ranches, and open spaces. Fire danger is high, water reservoirs run low, and in
7 some cases, we’ve seen towns like Las Vegas take dramatic steps to reduce basic water consumption
8 in their residents’ homes and businesses,” said Governor Martinez; and

9 **WHEREAS**, individuals and businesses have begun to do their part, but the energy industry
10 has failed to transition to less water consumptive forms of energy generation; and

11 **WHEREAS**, the cost of coal is expected to continue to increase due to carbon emissions
12 regulation mandated as part of President Obama’s Climate Change Action Plan and Coal Ash
13 Regulation that the Environmental Protection Agency has been ordered to issue; and

14 **WHEREAS**, the environmental and human health costs of nuclear energy are well
15 documented; and

16 **WHEREAS**, according to the National Cancer Institute, the following diseases can be caused
17 by exposure to radon, uranium, and decay elements of uranium: bronchial and lung cancer, leukemia
18 and other blood diseases, cancer of the bone marrow, stomach, liver, intestine, gall bladder, and
19 kidney, failure of the kidney or liver, psychological disorders and birth defects; and

20 **WHEREAS**, nuclear waste requires safe storage for at least 1000 years and permanent
21 storage space is limited; and

22 **WHEREAS**, U.S. nuclear plants generate about 2,000 tons of spent fuel a year and since the
23 1950s, ratepayers have contributed \$27 billion to pay for permanent disposal; and

24 **WHEREAS**, improper disposal and risk of accidents pose serious environmental and public
25 health threats; and

1 **WHEREAS**, beyond these hidden costs, the price per kilowatt-hour of the nuclear energy
2 proposed for the Replacement Power Plan is significantly more expensive than both solar and wind
3 alternatives; and

4 **WHEREAS**, the City of Santa Fe Municipal Charter charges the governing body with the
5 responsibility "to secure for ourselves and our children the continuity of our cultural values, our
6 personal freedoms, and our well-being," declares that "[t]he natural beauty of Santa Fe" is "among the
7 city's most valued and important assets," and charges the governing body of Santa Fe to "protect,
8 preserve and enhance the city's natural endowments, plan for and regulate land use and development,
9 manage the city's growth, encourage source reduction," and take such actions as are necessary to do
10 so; and

11 **WHEREAS**, the City of Santa Fe has a record of accepting these responsibilities and
12 acknowledging the reality of climate change, probable effects of climate change on our City, and our
13 ability and responsibility to reduce our contribution to the causes of climate change - as evidenced by
14 the City's endorsement of the U. S. Conference of Mayors Climate Protection Agreement; the
15 adoption of the Sustainable Santa Fe Plan (Resolution 2008-93); the establishment of the Sustainable
16 Santa Fe Commission; and the passing of Resolutions addressing these concerns (e.g., Resolutions
17 2009-45,2011-17, 2012-12,2013-12, and 2013-12, among others); and

18 **WHEREAS**, the closure of San Juan Units 2 & 3 presents a critical opportunity to transition
19 away from New Mexico's investment in fossil fuels and nuclear energy and presents an opportunity
20 to rapidly deploy renewable energy technologies to meet New Mexico's energy demands; and

21 **WHEREAS**, New Mexico has some of the best solar potential in the country and areas with
22 very strong wind potential as well and the benefits of solar and wind energy production will include
23 CO₂ emissions reductions, better health and environmental outcomes than fossil-fuel or nuclear
24 energy, and can stimulate the creation of jobs in New Mexico; and

25 **WHEREAS**, solar and wind are both now cost-competitive energy sources and an alternative

1 replacement power plan has been modeled by New Energy Economy with 50% renewable energy and
2 without the purchase of any coal or nuclear generating capacity at a lower total cost than PNM's plan.

3 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
4 **CITY OF SANTA FE** that the Governing Body recognizes that:

- 5 (1) The pollution caused by humans burning fossil fuels is established by scientists as a
6 primary cause of climate change;
- 7 (2) The City of Santa Fe Municipal Charter charges the governing body with protection
8 of our city's residents and natural assets; and
- 9 (3) a necessary measure to address this problem is to replace fossil-fuel and nuclear
10 energy with renewables that are cost competitive whenever possible.

11 **BE IT FURTHER RESOLVED** that the Governing body opposes PNM's replacement
12 power plan on the basis that it:

- 13 (1) Will not help the City government meet its CO₂ reduction goals;
- 14 (2) Will not help the City meet its energy efficiency goals;
- 15 (3) Is not the lowest cost solution;
- 16 (4) Is not the best environmental outcome;
- 17 (5) It does not provide the best employment opportunities;
- 18 (6) Is not the healthiest option for the people of New Mexico and of Santa Fe;
- 19 (7) Does not take into account recognized external costs to human health and air quality;
- 20 (8) Is a continuation of risky investment practices in unsustainable and costly energy
21 sources that are not in the best interest of the public of New Mexico or the ratepayers
22 of New Mexico; and
- 23 (9) Unfairly places the burden of PNM's poor financial planning on the rate payers of
24 New Mexico.

25 **BE IT FURTHER RESOLVED** that the Governing Body strongly urges the Public

1 Regulation Commission to require that PNM’s replacement power plan include AS MUCH renewable
2 energy as is technically and economically feasible.

3 **BE IT FURTHER RESOLVED** that the Governing Body urges the Public Regulation
4 Commission to require that PNM’s replacement power include AS MUCH energy efficiency as is
5 technically and economically feasible.

6 **BE IT FURTHER RESOLVED** that the Governing Body urges the Public Regulation
7 Commission to deny or reduce PNM’s claim for un-depreciated “stranded” assets.

8 **BE IT FURTHER RESOLVED** that the Governing Body urges the Public Regulation
9 Commission to deny PNM’s request for money for pollution controls for Unit 1 at SJGS and instead
10 urges the PRC to order the closure of Unit 1 to a date certain, as soon as practicable.

11 **BE IT FURTHER RESOLVED** that the Governing Body urges the Public Regulation
12 Commission to set a date certain for the closure of Unit 4 at SJGS, and suggests that it be as soon as
13 practicable, but no later than 2023.

14 **BE IT FURTHER RESOLVED** that the Governing Body urges PNM and the NM PUC to
15 consider the real cost of coal produced energy as a matter of public health.

16 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
17 resolution to the Public Regulation Commissioners and General Council as official public testimony
18 on behalf of the City of Santa Fe in the case before the Public Regulation Commission.

19 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
20 resolution to the New Mexico's Congressional Delegation.

21 PASSED, APPROVED, and ADOPTED this ___ day of _____, 2014.

22
23 _____
24 JAVIER M. GONZALES, MAYOR
25

1 ATTEST:

2 _____

3 YOLANDA Y. VIGIL, CITY CLERK

4 APPROVED AS TO FORM:

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7 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

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25 *M/Melissa/2014 Resolutions/Replacement Power – Energy Plan*

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

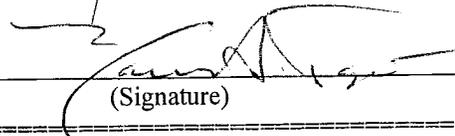
Short Title(s): **A RESOLUTION RELATING TO THE REPLACEMENT POWER/ENERGY PLAN PROPOSED TO REPLACE 836 MEGAWATTS AT THE SAN JUAN GENERATING STATION; URGING THE NEW MEXICO PUBLIC REGULATION COMMISSION TO REJECT PNM'S REPLACEMENT PLAN AND CLAIM FOR COST RECOVERY OF STRANDED ASSETS AND SUPPORT AN ALTERNATIVE RENEWABLE-ENERGY BASED REPLACEMENT PLAN.**

Sponsor(s): Councilor Rivera, Councilors Dimas, Calvert, Dominguez and Trujillo

Reviewing Department(s): City Attorney's Office

Persons Completing FIR: Rebecca Seligman Date: 01/27/13 Phone: 955-6501

Reviewed by City Attorney:  Date: 1/29/14
(Signature)

Reviewed by Finance Director:  Date: 2/6/14
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

The purpose of the resolution is to urge the New Mexico Public Regulation Commission to reject PNM's Replacement Plan and claim for cost recovery of standard assets at the San Juan Generating Station and support an alternative renewable energy based replacement plan that would require PNM's replacement power plan include as much renewable energy as is technically and economically feasible.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: _____

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

Not applicable

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff is aware of.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

If the resolution is not enacted, the status quo would remain and we would continue to be subjected to environmental and human health risks.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

Supporting the resolution would demonstrate the Governing Body's concern for the citizens in our community regarding the environmental and health repercussions of producing electricity at the San Juan Generating Station by means of burning of coal which releases toxic pollutants into the environment.

ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 2/5/14

ISSUE NO. 15

Request for approval of Resolution No. 2014-_____. A resolution relating to the Replacement Power/Energy Plan proposed to replace 836 Megawatts at the San Juan Generating Station; urging the New Mexico Public Regulation Commission to reject PNM's replacement plan and claim for cost recovery of stranded assets and support an alternative renewable-energy based replacement plan. (Councilor Rivera) (Nick Schiavo)

Public Utilities Committee – 2/5/14
 Finance Committee – 2/17/14
 City Council (scheduled) – 2/26/14

PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 2/17/14 Finance Committee.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR CALVERT, CHAIR	x		
COUNCILOR TRUJILLO	x		
COUNCILOR DOMINGUEZ	x		
COUNCILOR DIMAS	x		
COUNCILOR RIVERA	x		

ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 02/26/14
ITEM FROM FINANCE COMMITTEE MEETING OF 02/17/14

ISSUE:

24. Request for Approval of a Resolution Relating to the Replacement Power/Energy Plan Proposed to Replace 836 Megawatts at the San Juan Generating Station; Urging the New Mexico Public Regulation Commission to Reject PNM's Replacement Plan and Claim for Cost Recovery of Stranded Assets and Support an Alternative Renewable-Energy Based Replacement Plan. (Councilors Rivera, Dimas, Calvert, Dominguez, Trujillo and Bushee) (Nick Schiavo)

Committee Review:

Public Utilities Committee (approved w/amendment) 02/05/14
 City Council (scheduled) 02/26/14

Fiscal Impact – No

FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM

SPECIAL CONDITIONS OR AMENDMENTS

Add Councilor Ives as co-sponsor.

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR BUSHEE	Excused		
COUNCILOR CALVERT	X		
COUNCILOR DIMAS	X		
COUNCILOR IVES	X		
CHAIRPERSON DOMINGUEZ			

~~VOTE: The motion was approved on the following Roll Call vote:~~

~~For: Councilor Bushee, Councilor Calvert, Councilor Dimas, Councilor Dominguez, Councilor Ives, Councilor Rivera, Councilor Trujillo and Councilor Wurzbarger.~~

~~Against: None.~~

10 (o) CONSIDERATION OF RESOLUTION NO. 2014- ____ (COUNCILOR RIVERA, COUNCILOR DIMAS, COUNCILOR CALVERT, COUNCILOR DOMINGUEZ, COUNCILOR TRUJILLO, COUNCILOR BUSHEE AND COUNCILOR IVES). A REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO THE REPLACEMENT POWER/ENERGY PLAN PROPOSED TO REPLACE 836 MEGAWATTS AT THE SAN JUAN GENERATION STATION; URGING THE NEW MEXICO PUBLIC REGULATION COMMISSION TO REJECT PNM'S REPLACEMENT PLAN AND CLAIM FOR COST RECOVERY OF STRANDED ASSETS AND SUPPORT AN ALTERNATIVE RENEWABLE ENERGY BASED REPLACEMENT PLAN. (NICK SCHIAVO)

Councilor Dominguez said he pulled this item to say he supports the intent and the fact that we need to look at alternative and renewable energies, and believes that is the position that most, if not all, of us have taken with regard to the various environmental advocacy legislation which has come before us. He said he received an email, which "alluded to us," from Jody Porter about the validity of the facts in the Resolution, so he decided to look at it more closely, and he has a number of questions.

Councilor Dominguez said the caption asks us to support rejecting PNM's replacement plan, which he hasn't seen, and asked if staff has that available for the Governing Body.

Mr. Schiavo said it is a large document which has been filed with the Public Regulation Commission, and the major points are outlined in the first whereas.

Councilor Dominguez asked if this is a summary of those points, 1 through 7, or is it taken verbatim from the plan.

Mr. Schiavo said these are a summary of those major points.

Councilor Dominguez asked Mr. Schiavo if he summarized them, or if someone else summarized them.

Mr. Schiavo said Councilor Rivera sponsored this and put this work together.

Councilor Dominguez asked again who summarized the points.

Councilor Rivera said they were summarized by several people, including Melissa Byers.

Councilor Dominguez asked Mr. Schiavo if he signed off on the summaries.

Mr. Schiavo said he reviewed the summaries, but he doesn't necessarily sign off.

Councilor Dominguez said, "Then as far as you're concerned, the summary is correct, based on the plan that we haven't seen that has been filed by PNM with the PRC."

Mr. Schiavo said, "Absolutely. This is an accurate summary."

Councilor Dominguez said, on page 3 of the Resolution, lines 8 through 11, there is a reference to Dr. George Thurston, and he isn't questioning his credentials, but how does he know that the analysis and the way it is articulated here is factual.

Mr. Schiavo said he is the City's Energy Specialist, Public Utilities Director, but he isn't a physician and can't question Dr. Thurston's word.

Councilor Dominguez said we should attach the analysis to the Resolution, and asked if we have a copy.

Mr. Schiavo said he doesn't have a copy, but he can get it, and thinks it would be a good idea to attach it.

Councilor Dominguez asked if the replacement power plan, modeled on the New Energy Economy, now exists, which is referenced on 5, line 25 of the Resolution and on page 6, lines 1-2.

Mr. Schiavo said he understands it exists, and heard a piece of it presented at the PUC meeting attended by Councilor Dominguez.

Councilor Dominguez asked if he has a copy of the plan, and Mr. Schiavo said no.

Councilor Dominguez asked if that plan should be attached to this Resolution as well.

Mr. Schiavo said it is up to Councilor Dominguez and the Governing Body.

Councilor Dominguez said, "I would request that that happen, if this is approved, along with the analysis by Dr. Thurston."

Councilor Dominguez said he has concerns. He said we are being asked to make this an official public testimony on behalf of the City, and there are questions and concerns which have been expressed by City staff, which gives him pause. He asked if there has been a public hearing on the New Energy Plan.

Mr. Schiavo reiterated that the only thing he ever heard was the presentation before the PUC at the beginning of this month.

Councilor Dominguez said then this will be City testimony, but the public hasn't been privy to the New Energy Economy plan that exists – there have been no public hearings on that plan.

Mr. Schiavo reiterated that “we have heard a presentation from New Energy Economy on their plan. I don't have anything other than that.”

Councilor Dominguez asked if there was a public hearing on that plan, and Mr. Schiavo said no.

Councilor Calvert asked if there has been a public hearing on PNM's plan, and Mr. Schiavo said no.

Councilor Dominguez said so there are a lot of plans out there which haven't had public hearings, including PNM's.

Councilor Dominguez said he wants to understand the process, asking if PNM has to produce a plan.

Mr. Schiavo said yes. PNM has submitted to the PRC “this entire first paragraph. That's their plan to shutter so much coal and bring so much natural gas on line, the first seven bullets...”

Councilor Dominguez said then that is at the PRC and Mr. Schiavo said it is.

Councilor Dominguez asked if the PNM has a public hearing process to look over those points, the plan.

Mr. Schiavo said, “Definitely. Yes. The PRC is going to go through that and anyone who has intervened will have the opportunity to comment.”

Councilor Dominguez asked if that has been scheduled.

Mr. Schiavo said the last day to file to intervene is the second week of April, so he would imagine they haven't started any hearings on it.

Councilor Dominguez said, “Then we probably need to do whatever we're going to do here done before it gets to the PRC, but it needs to be correct and factual.”

Councilor Ives said, at the appropriate time in our proceedings tonight, he will be sponsoring a Resolution to intervene in that case, so the City becomes a party in that case. He said PNM already has filed with the PRC, so there is an ongoing case. A procedural order has been issued in that case, and he

will be introducing a Resolution for the City to intervene in that case, so we'll become a party and we'll receive all pleadings that are filed, and we can participate as a party in interest. He noted the hearings are scheduled approximately mid-August 2014.

Councilor Dominguez asked if this is intended to be the testimony that will be provided to them for that proceeding.

Councilor Ives said currently the paragraph is phrased, "a copy of the Resolution is directed as official public testimony on behalf of the City of Santa Fe." He said, in its current form, it is intended to be official public testimony, but it isn't necessarily the end of the possible participation of the City in the proceedings and doesn't constitute all of the testimony that the City might choose to file."

Councilor Dominguez said, "It really should say something like, 'official City Council testimony,' because there have been no public hearings on this. He said although we represent the public, but in the spirit of transparency and proper community participation, it seems some of that language might change."

Councilor Trujillo asked how this will work in conjunction with the Resolution which Councilor Ives will introduce. He asked which public hearing will trump, and Councilor Ives and Mayor Coss said that would be the PRC.

Councilor Trujillo said we haven't had due process of public hearings from PNM or anyone else, and we then become a party – how does this affect us now. He said, "You guys are lawyers. Advise me. How does this affect us now, when Councilor Ives introduces this Resolution tonight."

Marcos Martinez, Assistant City Attorney, said, "Once the City intervenes in this matter, then the City can participate before the PRC in hearings, and the PRC is the body that will be making the determination on PNM's application. The City really has no jurisdiction to make any determination on PNM's application on its own. What the City can do, is conduct its own public hearings and determine what is the will of the Governing Body going forward, and what is the recommendation to make in that intervention, in the event that the City choose to intervene in this proceeding. So really, we can only make decisions concerning what is the will of the Governing Body and what is going to be the kind of testimony and position that the City is going to take ultimately in that proceeding, in the event that we intervene."

Councilor Trujillo said, "Okay, so I'm asking you, being that we have not had public hearings, should we have those public hearings, speaking from you as a lawyer. That's all."

Mr. Martinez said, "I think it's up to the Governing Body to determine if public hearings would be helpful."

Councilor Trujillo said he believes all public hearings are helpful, he wants to be sure we are giving the public the transparency to talk about it.

Mr. Martinez said, "In that regard, the public hearing can be helpful in soliciting what is the input from the community, what is the direction the community wants to take in bringing that input to the Governing Body, and then the Governing Body can make recommendations in the intervention."

Councilor Trujillo said then it would go back to the PRC.

Councilor Dominguez said we are going to have a new Governing Body, and we essentially are tying the hands of that new Governing Body with this legislation, and they will have to represent the City collectively via this public testimony, which concerns him. He said he can't explain some of the WHEREAS in the Resolution, although Mr. Schiavo and some members of the public can understand and explain it. He said as the representative of all of the people, he thinks we should take more time in vetting the Resolution.

Councilor Wurzbarger apologized for not taking as much time to study this issue as she normally does, and then agreeing to cosponsor this last week from the perspective that we need to reprioritize the different energy sources. She said, "We particularly need to take a hard stance on coal, and to quote one of the Councilors, 'The devil is in the details'." She will be abstaining because it is so technical, there are two plans, and we haven't received all the information we need. She said she wants the Councilors "to tell me whether or not you understand the rationale of why the claim for undepreciated stranded assets should be denied or reduced.

Councilor Wurzbarger continued, "I don't understand that term, I don't mind admitting it and I apologize. And I would feel that I would need to better understand the difference of the plans and the BE IT FURTHER RESOLVED on almost all the things we're saying in terms of closing Unit 4 SJGS. What does that really mean, I don't know. So I apologize to you as a leader, and I will abstain on this, or I would first make a motion to postpone it. I think it's great we can go forward and give an opinion. I think that's an appropriate path and that would give us the opportunity, including a public hearing, to clarify what it is we're really voting on."

Councilor Bushee said she didn't realize we were considering intervening in this case, and she is interested if those drafting the Resolution for Councilor Ives, has consulted with other potential interveners. She asked if there are other communities or entities interested in intervening. She said whatever we are setting now that we are going to intervene sets a legal record, "and I want to make sure it's solid and broad."

Councilor Ives said he hasn't approached others, but typically in these kinds of proceedings, as significant as the proposal to shut down two of the coal fired units at San Juan, that there will be many interveners. He noted that PNM's power is distributed over large portions of New Mexico, and it is likely that other municipalities, other significant power consumers, various groups involved in the power industry, pro and con, are likely to intervene, as they are standard participants in all these types of measures before the PRC. He doesn't know whether Mr. Schiavo has spoken with others, noting the procedural order came out only about 10 days ago, and people are looking at intervention.

Mr. Schiavo said he would be surprised if the City of Albuquerque, City of Rio Rancho, the Albuquerque/Bernalillo Water Authority didn't intervene, along with the usual players.

Councilor Bushee said she supports the concept, but this concept is based on one model. She wants to know if there are things with which we want to amplify this, or other angles not incorporated. She asked Councilor Ives if he is about to introduce the possibility of intervention tonight.

Councilor Ives said yes.

Councilor Bushee wants this to move forward, but in the right way.

MOTION: Councilor Bushee moved, seconded by Councilor Wurzbarger, to postpone this item for one month, to the Council meeting of March 26, 2014, "with one or two public hearings during that time, and solicit input from other energy experts in the field."

DISCUSSION: Councilor Ives said he has read PNM's initial filing in this case, and thinks it's reasonably captured in terms of our predicate Whereas's as to what that filing contains. He noted the proposed amendments are based on sitting with PNM and hearing their concerns in connection with this particular measure. He said on packet page 8, lines 12-14, a concern was expressed that the health impacts in our community were meant to be tied directly to the San Juan Generating Plant. And the answer, with regards to lines 12-14, is that "No, that is simply a recitation of the incidents covered in the Santa Fe County and Christus St. Vincent Regional Medical Center, Community Health Profile Study of the incidents of high school students diagnosed with asthma. So just noting that for the record, so it's clear there."

Councilor Ives continued saying, "On packet page 11, a concern is expressed with regard to the statement that the Governing Body opposes PNM's replacement power plan on the basis that it: (1) Will not help the City government meet its CO2 reduction goals, and it certainly goes in some measure toward that end, so it is a matter of degree, so I would certainly suggest an amendment for any consideration of this tonight, so it read, 'Will not help the City government to the degree desired to meet its CO2 reduction goals.' Similarly in paragraph number 2, line 14, where it states, Will not help the City meet its energy efficiency goals, and again, presumably because it will have some beneficial effect in terms of the shutdown of the two coal units, propose to amend that similarly to read, 'Will not help the City meet, to the degree desired, its energy efficiency goals.'"

Councilor Ives continued, "Subparagraph 5, where it says 'It does not provide the best employment opportunities should be modified to state, 'For Santa Fe,' which is certainly the case because the natural gas production plant that PNM is proposing to build in Farmington. Of course, the City of Farmington is not served by PNM, so presumably that might be a more strategically...."

Councilor Calvert said it might be good to add not only Santa Fe, but the State of New Mexico, because the nuclear power they're proposing to fill in also is not going to help the State and the ratepayers who have to pay for this. He asked if he would consider that as a friendly addition, and Councilor Ives said yes.

Mayor Coss said, "I just want to point out that there is a Motion to Postpone. If it was a Motion to Table, it would be non-debatable, so it is just to postpone. So I think you're suggesting amendments that might get in there if it doesn't get postponed."

Councilor Ives said, "Exactly." He said packet page 12, lines 16-18, reads, "BE IT FURTHER RESOLVED that the City Clerk is directed to forward a copy of this Resolution to the Public Regulation Commissioners and General Council, which should be Counsel, public testimony on behalf of the City of Santa Fe in the case before the Public Regulation Commission. Perhaps we should look at modifying that to change it to read, '*...the City Clerk is directed to forward a copy of this Resolution Commission and General Counsel.*' So we aren't making this official public testimony at this point in time. Clearly if we intervene in that case, there would be long consideration of the position of PNM, as well as other interveners, including the City, in terms of what we feel an appropriate plan really is for the San Juan Generating Unit."

Councilor Bushee said, "I'm keeping my motion to postpone and just giving a month in hopes that we find other interveners and that we can have a cohesive approach to this. I see the amendments and I certainly hope that other Councilors, and even Councilors that are leaving would consider other amendments. I would like to see entities and other communities join in this, and vet this to the best we can."

Councilor Rivera said he introduced the Resolution in an attempt to represent the people of Santa Fe. He would imagine that not many of constituents have looked at the PNM plan. He asked Mr. Schiavo the number of pages.

Mr. Schiavo said, "I don't know. I would assume if it is a typical plan, we're talking multiple binders."

Councilor Rivera said, "Thousands of pages, correct."

Mr. Schiavo said yes.

Councilor Rivera said he is doubtful the constituents will read that lengthy plan, so it is up to us to represent them in a way that will benefit them, and the Resolution does outline PNM's plan, which has been submitted to the PRC. He said, "We met with PNM yesterday, and they had opportunity to look at the Resolution and some of the recommendations have been put forth by Councilor Ives. There weren't very many you see. However, today, they redlined, basically, the entire document in an attempt to stall it just like tonight. To delay this even more, will require additional training for new Governing Body members to be brought up to speed. He said we are the first step in the intervention and once we take that first step, other municipalities and agencies will come on board and agree with what we're asking to put forth today."

Councilor Rivera said Councilor Wurzbarger sponsored a Resolution against bullying. He feels PNM is bullying the City in a way about making threats about what it would do if this Resolution passes. He has never known this Governing Body to back away from anything. This is a good Resolution and the first step in intervening and thinks it should move forward.

Councilor Dominguez said, "I have the utmost respect for my colleague and fellow District #3 Councilor. In previous legislation and tonight, we have articulated that we support the spirit and that we need to protect our environment and do everything possible to make sure we move in that direction. In terms of whether or not the public will read the information, maybe they will, maybe not, but the public needs to be given the opportunity to hear about it. This is a little different than our contracts with our collective bargaining units we're going to be discussing later. This is complicated and sure to be litigated."

Councilor Dominguez said this is "complicated and sure to get litigated." He said we need to make sure it is a strong case in a strong document the Governing Body is providing to the staff, the public and the PRC. He said the spirit of this Resolution is "right on," but we have to make sure that it is factual and it is as solid as it can be.

Councilor Ives said there seems to be concerned that the Council is fully informed and discussion of holding a public hearing.

Councilor Bushee said her emphasis is finding other interveners and if it is going to be in concert with what you announced tonight, and Councilor Ives doesn't feel there will be difficulty in finding other interveners. Councilor Ives would like to do the public hearing at the next meeting as opposed to a month from now.

Councilor Bushee asked if it is to be a public hearing at the Council level, or the Committee level.

Councilor Ives said presumably it would be the next meeting of the Council, with consideration at the March 26, 2014 Council meeting.

Councilor Bushee said, "We will have a transition by then, so the same Council won't be voting, so I guess I just gave it two more weeks to get everything together, so I was sticking with a month." She doesn't understand moving it up to two weeks.

Councilor Ives said that is so we can hear it then, as opposed to hearing it immediately before considering it.

Councilor Bushee said, "I want to delay the vote until we are very clear on who is intervening and what else we want to add to this Resolution, so I was giving a month for the action. And we could have that be a public hearing."

Mayor Coss said, "So the action would be in a month, but there would be a hearing at the first and second meetings [in March]."

Councilor Bushee said, "Yes. And we could even make the final Resolution passage be... and we would consider yours as well, those could both be public hearings. Both at the Council level if you want. This is a big issue. This is an important issue. I relate completely to the health effects. This season has been crazy, the allergies, the asthma, and mine included, are just off the chart. But I do want to make this the

most solid case and the most vetted legislation we can and the best it can be. So are you good with that. A hearing in two weeks and then a hearing following the two weeks after that, so we could actually consider both your legislation and this one."

Councilor Ives said, "Perfectly fine, although I would simply note there is no reason not to intervene, but dictate the extent of our participation, but gets us informed, getting copies of pleadings so we can be informed. Just a slightly different focus."

Councilor Bushee said, "I don't need to attach my motion to yours if you don't want it. I saw the two going together somehow."

Councilor Ives said, "By all means, I don't mind public hearings on it. I think it makes sense."

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Dimas, Councilor Dominguez, Councilor Ives, Councilor Trujillo and Councilor Wurzburger.

Against: Councilor Rivera and Councilor Calvert.

~~(t) **CONSIDERATION OF RESOLUTION NO. 2014-17 (COUNCILOR WURZBURGER AND COUNCILOR BUSHEE). A RESOLUTION REPEALING RESOLUTION NO. 2013-80 THAT CALLED FOR A THIRD PARTY INDEPENDENT AUDIT OF THE 2008 PARKS, TRAILS AND OPEN SPACE BOND; AND AUTHORIZING A SPECIAL EXTERNAL AUDIT OF THE ENTIRE EXPENDITURE OF 2008 PARKS, TRAILS AND OPEN SPACE BOND ("2008 BOND"). (ISAAC PINO AND MARCOS TAPIA)**~~

~~A copy of a proposed amendment to this Resolution, submitted by Councilor Bushee and Councilor Wurzburger is incorporated herewith to these minutes as Exhibit "6."~~

~~Councilor Dominguez asked Councilor Wurzburger if she is comfortable with the timing identified by staff on this.~~

~~Councilor Wurzburger said, "I am comfortable with what I think it states, as I recall, because I did talk to Isaac about this earlier, and idea was that the audit could occur as soon as all of the projects are completed, except the one which is for the St. Francis Underpass/Overpass, because that will be years from now."~~

~~Councilor Dominguez asked when the last project will be done.~~

~~Councilor Bushee said she was told not later than June 30, 2014, and asked Mr. Pino to repeat what he told her earlier.~~