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City of Las Cruces⁵⁵
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 2 Ordinance/Resolution# 13-079

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of December 17, 2012
 (Adoption Date)

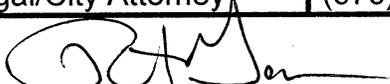
Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION EXPRESSING CONCERN THAT RENEWABLE ENERGY CREDITS AT THE PRESENT TIME ARE NOT BEING GIVEN TO THIRD PARTY OWNERS OF RENEWABLE ENERGY SYSTEMS BY EL PASO ELECTRIC COMPANY.

PURPOSE(S) OF ACTION:

To encourage El Paso Electric to provide Renewable Energy Credits to third party owners of renewable energy systems in southern New Mexico.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Harry S. (Pete) Connelly	<u>Department/Section:</u> Legal/City Attorney	<u>Phone:</u> (575) 541-2128
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces may suffer from an overly strict interpretation of state statute and New Mexico Public Regulation Commission (“NMPRC”) regulations. El Paso Electric (“EPE”) is not required at the present time by any tariff to give Renewable Energy Credits (RECs) to third party owners of renewable energy systems. This may have a harmful effect on churches, schools, community non-profit organizations and local governments who might be able to utilize Power Purchase Agreements (“PPAs”) with third party renewable energy system owners.

Without the RECs, the cost of a renewable energy system could be expected to increase which may severely burden those who would utilize this financing system and has the possibility of placing at an economic disadvantage southern New Mexico communities and other small energy users served by EPE.

Third party renewable energy system owners in Public Service Company of New Mexico (“PNM”) service territory can access RECs through PPAs. The fact that PNM grants these RECs is due to its need to comply with RECs enacted legislation and PNM and has partnered with third party power providers. This shows that areas served by other electric providers currently are at a disadvantage compared to other parts of New Mexico served by PNM due to EPE not needing RECS.

(Continue on additional sheets as required)

While Las Cruces has a growing renewable energy industry, it is unfortunate that so many different customer classes may be barred from the growing renewable energy business.

SUPPORT INFORMATION:

1. Resolution.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes <input type="checkbox"/>		See fund summary below
	No <input type="checkbox"/>		If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue? N/A	Yes <input type="checkbox"/>		Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No <input type="checkbox"/>		There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will express the Council's concern that El Paso Electric is not giving Renewable Energy Credits to third party owners of renewable energy systems.
2. Vote "No"; this will not express the Council's concern that El Paso Electric is not giving Renewable Energy Credits to third party owners of renewable energy systems.
3. Vote to "Amend"; this would allow Council to propose modifications to the Resolution.
4. Vote to "Table"; this would allow Council to postpone consideration of the Resolution and provide more direction to staff.

(Continue on additional sheets as required)

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

N/A

(Continue on additional sheets as required)

RESOLUTION NO. 13-079**A RESOLUTION EXPRESSING CONCERN THAT RENEWABLE ENERGY CREDITS AT THE PRESENT TIME ARE NOT BEING GIVEN TO THIRD PARTY OWNERS OF RENEWABLE ENERGY SYSTEMS BY EL PASO ELECTRIC COMPANY.**

The City Council is informed that:

WHEREAS, the City of Las Cruces may suffer from an overly strict interpretation of state statutes and New Mexico Public Regulation Commission ("NMPRC") regulations; and

WHEREAS, El Paso Electric ("EPE") is not required at the present time by any tariff to give Renewable Energy Credits ("RECs") to third party owners of renewable energy systems; and

WHEREAS, EPE's lack of allowing for renewable energy credits may have a harmful effect on churches, schools, community non-profit organizations and local governments who might be able to utilize Power Purchase Agreements ("PPAs") with third party renewable energy system owners; and

WHEREAS, without the RECs, the cost of a renewable energy system could be expected to increase which may severely burden those who would utilize this financing system and has the possibility of placing at an economic disadvantage southern New Mexico communities and other small energy users served by EPE; and

WHEREAS, third party renewable energy system owners in the Public Service Company of New Mexico ("PNM") service territory have access to RECs through PPAs, the fact that PNM grants these RECs due to its need to comply with RECs enacted legislation, and PNM and has partnered with third party power providers, shows that areas served by other electric providers currently are at a disadvantage compared to other parts of New Mexico served by PNM due to EPE not needing RECs; and

WHEREAS, while Las Cruces has a growing renewable energy industry, it is unfortunate that so many different customer classes may be barred from the growing renewable energy business.

NOW THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City Council of the City of Las Cruces, New Mexico, respectfully requests that the New Mexico Public Regulation Commission and El Paso Electric encourage economic growth through development of local renewable energy business.

(II)

THAT this resolution be transmitted to the Board of Directors of El Paso Electric Company and to the five members of the New Mexico Public Regulation Commission.

(III)

THAT City staff is hereby authorized to do all deeds as necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2012.

APPROVED:

ATTEST:

Mayor

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Smith: _____
Councillor Pedroza: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

APPROVED AS TO FORM:



City Attorney