

**MINUTES OF THE OPEN MEETING
NEW MEXICO PUBLIC REGULATION COMMISSION
May 8, 2019**

TIME: 9:30 a. m.

**PLACE: PERA Building
4th Floor Hearing Room
1120 Paseo de Peralta
Santa Fé, New Mexico 87501**

A quorum was present as follows:

Members Present:

Commissioner Theresa Becenti Aguilar, Chairperson
Commissioner Valerie Espinoza, Vice-Chairperson
Commissioner Jefferson Byrd, District 2
Commissioner Stephen Fischmann, District 5
Commissioner Cynthia B. Hall, District 1

Members Absent:

Staff Present:

Jason Montoya, Acting Chief of Staff
Michael Smith, Acting General Counsel
Judith Amer, Associate General Counsel
Russell Fisk, Associate General Counsel
David Black, Associate General Counsel

Others Present

Carl Boaz, Stenographer

CALL TO ORDER

The Open Meeting was scheduled at 9:30 a.m., pursuant to proper notice under NMSA 1978, 10-15-1(c), and the Commission's Open Meeting Policy. Commissioner Theresa Becenti-Aguilar, Chairperson, called the Open Meeting to order at 9:30 a.m., in the Fourth Floor Hearing Room, PERA Building, 1120 Paseo de Peralta, Santa Fé, New Mexico.

A copy of the sign-in sheet for the Case Management Open Meeting is incorporated herewith to these minutes as Exhibit 1.

A copy of the Agenda for the Case Management Open meeting is incorporated herewith to these minutes as Exhibit 2.

A copy of the Public Comment sign-in sheet for the Case Management Open Meeting is incorporated herewith to these minutes as Exhibit 3.

1. PLEDGE OF ALLEGIANCE/STATE PLEDGE

The Pledge of Allegiance and State Salute to the Flag were recited.

2. INTRODUCTION OF SPECIAL GUESTS

Chair Becenti Aguilar introduced Ms. Cathy Newby, who works for PNM-Light Up Navajo.

Commissioner Espinoza welcomed the representatives from Windstream who work in Arkansas and Texas.

Commissioner Fischmann said the Commission is grateful for those present from PNM.

Commissioner Fischmann welcomed Sam Loudenslager and Lee Elliott from SPP.

3. CONSIDERATION AND APPROVAL OF AGENDA

Commissioner Espinoza moved, seconded by Commissioner Hall, to approve the agenda as published. The motion was approved on a unanimous (5-0) voice vote.

4. CONSIDERATION AND APPROVAL OF THE MEETING MINUTES

- **Minutes of the Regular Open Meeting for April 11, 2019**

Commissioner Byrd moved, seconded by Commissioner Espinoza, to approve the April 11, 2019 Open Meeting minutes as presented. The motion was approved on a unanimous (5-0) voice vote.

5. PRESENTATION

- **Presentation by Sam Loudenslager and Lee Elliott of Southwest Power Pool**

Mr. Loudenslager, used a Power Point presentation to describe the Southwest Power Pool. A printed copy of the presentation was shared with the Commissioners. He

showed a map of SPP territory which covers all or parts of 14 states; was organized in 2004, and was the last entity approved as an RTO by FERC. It is the only RTO having a federal member (WAPA) and has 16 IOUs and 16 municipal utilities. Walmart and Google are also members. They manage wholesale energy markets through the Oversight Committee for market monitoring. And they direct electric traffic controls.

The Regional State Committee provides representation by State Commissions. Commissioner Byrd is the New Mexico representative.

SPP also provides education and training on a variety of topics regarding provision of electricity.

Mr. Loudenslager summarized that because of the coordination and cooperation through the SPP, electricity is more reliable and less expensive for consumers.

Chair Becenti Aguilar thanked them for their presentation.

6. PUBLIC COMMENT

Ms. Cathy Newby, Director of Tribal Government Procurement for PNM, said she is Navajo and has been working on a project for bringing electricity to homes on the Navajo Nation for first time. The goal of the project is to expand connections to the electric grid and connect 200 homes that heretofore have not had any electricity. There are approximately 15,000 homes without electricity (27% of the Navajo Nation). The cost of electricity is higher because of rural sparse density. With this project, experienced line workers are needed to construct transmission to those homes. PNM is a partner in the effort. Some families have waited their entire lives for electricity. The crews now employed begin their training on the upcoming Saturday in Window Rock and then begin installing transmission lines.

Chair Becenti Aguilar thanked Ms. Newby for coming with the update and extended a welcome to return with future updates.

Commissioner Espinoza thanked her for the information and wished her and the project staff success in the project.

Commissioner Fischmann briefly discussed with her the option for solar generation where transmission lines could not be constructed.

Ms. Newby clarified this is a pilot project and they hope to build upon it.

Commissioner Byrd pointed out that this is a great example where over regulation has not helped the people. There was a time when people could run their own power line. His family's company did that until he was 10 years old.

Commissioner Espinoza was puzzled because there are many coops and she wondered where the money was going, if not on Navajo Nation land.

Commissioner Fischmann said Brian Harris is working on that now.

Chair Becenti Aguilar talked about Ms. Newby's work among Navajo families and applauded corporate entities who have helped educate Navajos to come back and work on the Navajo Nation.

7. CONSENT ACTION

A. Transportation Matters:

- 1) 19-00085-UT **IN THE MATTER OF THE APPLICATION OF TIMMY EVANS
D/B/A LUVBUD TOURS FOR A CERTIFICATE TO PROVIDE
TOUR AND SIGHTSEEING SERVICE
(David Black) POTENTIAL ORDER GRANTING
APPROVAL OF CERTIFICATE**

B. Utility Matters:

- 2) 18-00383-UT **IN THE MATTER OF THE FILING OF ADVICE NOTICE NO. 69 BY SOCORRO
ELECTRIC COOPERATIVE, INC. SOCORRO ELECTRIC COOPERATIVE, INC.,
Applicant.
(Judith Amer) POTENTIAL ORDER SCHEDULING PUBLIC COMMENT**
- 3) 19-00102-UT **IN THE MATTER OF AN INVESTIGATION INTO THE PUBLIC SERVICE
COMPANY OF NEW MEXICO'S PURCHASE OF PALO VERDE NUCLEAR
GENERATING STATION UNIT 1 & 2 LEASES AND THE FINANCIAL IMPACT
ON RATEPAYERS
(Michael Smith) POTENTIAL ORDER REQUIRING RESPONSE**

Commissioner Espinoza moved, seconded by Commissioner Hall to approve the orders for the three consent cases. The motion was approved on a unanimous (5-0) voice vote. So Ordered.

8. REGULAR ACTION AND DISCUSSION

A. Transportation Matters:

None

B. Utility Matters:

None

9. DISCUSSION ONLY

**4) 18-00030-UT IN THE MATTER OF A COMMISSION INQUIRY INTO THE PROCUREMENT PRACTICES OF INVESTOR OWNED ELECTRIC UTILITIES
(Judith Amer)**

Ms. Amer noted that last week, the proposed rulemaking was brought, and the Commission determined that more time was needed. The proposed rule was for discussion and she was open for any comment on the rule. It can be rewritten or whatever the Commission chooses.

Commissioner Espinoza pointed out that it is only 3 pages and does not address things like ex parte. It leaves a lot to the imagination. There could be hundreds of pages on how to treat bidders fairly. But with respect to what happened in the past, there is only a short period of time to respond. More needs to be included for conflict of interest and campaign contributions. She feels it needs a lot of clean up.

Commissioner Fischmann agreed. One area where conflict of interest has become more of a problem is with utility contractors who build a project and then sell it and various parties have come and talked with Commissioners as if they work here.

Commissioner Espinoza said that is right on point. She liked simplicity. When the rules get too thick, it invites more controversy and makes compliance more difficult and complicated. She was not a huge fan of voluminous rules that create more controversy and it should be the simplest regulations we can have. There are holes in this. The way IOUs currently work, ratepayer money is going into evaluating work for IOU's interest. It is their plan. But she liked the independent evaluator that allows a lot more balance.

She also pointed out that we are very underfunded for technical expertise and this would allow that to happen. What we do with procurement ultimately determines what we do in the rate case. So, any way to not ding the PRC budget helps us to take care of those issues.

Commissioner Espinoza wanted to make sure our Hearing Examiners have a clean cut at what is going on. So we don't want to preclude the HE process. We all need to be humble and everything needs to be reviewed. She saw it as a skeleton here that needs

a lot of filling in to have the right balance. Starting the process will allow us to do that. So rather than try to make this perfect, set up a couple of weeks for the Commission to fill the holes and let stakeholders come in. We will have a lot of procurements coming in, based on the new legislation and those are a huge issue for the Commission.

Commissioner Hall was glad to hear that and thought it was the best way to proceed. It becomes a better product with Commissioner input. She was glad it is started.

Commissioner Espinoza suggested, the more input from there, the better it would be. This template did not provide much protection.

Ms. Amer pointed out that this was for discussion only and is for rulemaking. It is not adjudication so anyone in the audience can contact Commissioners.

Commissioner Espinoza agreed and added that Commissioners can share it with each other.

Ms. Amer said she would bring it back in about three weeks.

Chair Becenti Aguilar mentioned several things that need to be included down the road. She invited comments from utility folks and to address comments to all five commissioners.

Ms. Amer said an inquiry docket is open and comments could be submitted in there.

Commissioner Hall said she had received very helpful information on participation that she would like to enter into the docket - what principles should be considered in designing this.

Chair Becenti Aguilar asked Ms. Amer to visit about one hour with each Commissioner. She mentioned the campaign contributions as another area to look at. The people have spoken already.

10. COMMUNICATIONS WITH CHIEF OF STAFF

Mr. Montoya announced implementation of employee of the month.

He talked about supervisor training with seven different sessions, starting May 30 and he will invite any employee with supervision responsibilities to attend.

Chair Becenti Aguilar suggested they invite the AG to come talk about ex parte. They did that 4-5 years ago.

Commissioner Espinoza agreed and they also train in OMA.

Commissioner Byrd asked if he was inviting management staff to go.

Mr. Montoya said "requiring" is a better term.

11. COMMUNICATIONS WITH GENERAL COUNSEL

Mr. Smith asked if the Commission will have a quorum on June 5 for the meeting and whether it should be canceled.

He asked how many Commissioners are attending the NARUC conference in Cheyenne Wyoming.

Commissioner Espinoza and Commissioner Fischmann said they are not attending.

Commissioner Espinoza proposed canceling that meeting.

Mr. Smith explained that we could not have three Commissioners in the same room to phone in.

Chair Becenti Aguilar announced the June 5 open meeting is canceled.

Mr. Montoya reminded the Commission that the meeting on the prior Wednesday is also canceled.

Commissioner Hall asked if it could be moved to Thursday.

Commissioner Byrd suggested meeting at 11:00 a.m.

Mr. Smith agreed for the meeting on June 6 at 11:00 a.m. and work through lunch.

Mr. Smith also announced two training opportunities in May on the 12th and the 17th.

Commissioner Espinoza spoke about the training in Albuquerque on May 28.

Mr. Montoya reminded the Commissioners that the July 24 meeting is also canceled already.

Ms. Amer said there are two matters that must be heard on May 15. One is BB2 project - both are very important matters. The May 29 meeting is also canceled.

12.COMMUNICATIONS WITH COMMISSIONERS

Commissioner Fischmann said regarding Telecommunications,, that 60% of the fund is required to be on access and it can also be used on broadband maintenance. But the only fix is probably legislation - There are ways to do that without messing up the allocation of funds amongst companies. But it is something we should look at if we want to know where the subsidy goes.

Secondly, he had a RAP schedule for June 5 and workshop in the afternoon. It is on decoupling and he would try to move it to June 6.

Commissioner Espinoza thought the legislation idea was good and encouraged Commissioner Fischmann in that effort.

13.ADJOURNMENT

The meeting was adjourned at 11:08 a.m.

ATTEST:

Carl Boaz
Carl Boaz, Stenographer

APPROVED: 6/19/19

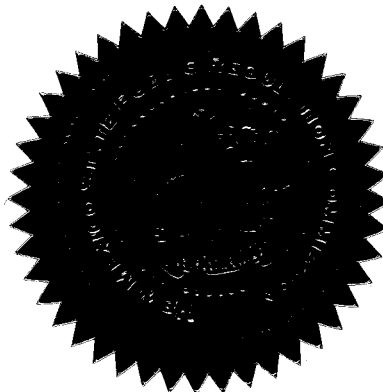
Theresa Becenti-Aguilar
THERESA BECENTI AGUILAR, CHAIRPERSON
APPROVED

VALERIE ESPINOZA, VICE CHAIRPERSON
APPROVED

CYNTHIA B. HALL, COMMISSIONER
APPROVED

JEFFERSON BYRD, COMMISSIONER

Stephen Fischmann
STEPHEN FISCHMANN, COMMISSIONER



NEW MEXICO PUBLIC REGULATION COMMISSION

OPEN MEETING: CASE MANAGEMENT MEETING

Date: May 8, 2018

SIGN-IN SHEET

NAME	COMPANY NAME (if any)	PHONE NUMBER
Mark Fowles	own	505-241-2498
Carey Salaz	PNM	241-4733
Carla Sonsteg	NMUSA	836-4223
LEE ELLIOTT	SPP	501-529-2611
Dia Nicholson	Windstream	501-748-6177
DANIEL FERGUSON	Windstream	281-490 9410
Michael Hunsucker	Windstream	512-568-7070
MIKE D'ANTONIO	XCEL ENERGY	505-681-0946
Peter Gould	NMIEC	505-690-2966
Brian Johnson	Renew Engineering	505-490-7033

Thank you for attending this meeting.



NEW MEXICO PUBLIC REGULATION COMMISSION

**NOTICE OF OPEN MEETING
OPEN MEETING: REGULAR WEEKLY MEETING
Wednesday, May 8, 2019
9:30 a.m.
PERA Building, 4th Floor Hearing Room
1120 Paseo de Peralta, Santa Fe, NM 87501**

AGENDA

- I. PLEDGE OF ALLEGIANCE/STATE PLEDGE**
- II. INTRODUCTION OF SPECIAL GUESTS**
- III. CONSIDERATION AND APPROVAL OF THE AGENDA**
- IV. CONSIDERATION AND APPROVAL OF THE MEETING MINUTES**
 - Minutes of the Regular Open Meeting for April 11, 2019
- V. PRESENTATION**
 - Presentation by Sam Loudenslager and Lee Elliott of Southwest Power Pool
- VI. PUBLIC COMMENT**
- VII. CONSENT ACTION**

A. Transportation Matters:

1)	19-00085-UT David Black	IN THE MATTER OF THE APPLICATION OF TIMMY EVANS D/B/A LUVBUD TOURS FOR A CERTIFICATE TO PROVIDE TOUR AND SIGHTSEEING SERVICE <u>POTENTIAL ORDER GRANTING APPROVAL OF CERTIFICATE</u>
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B. Utility Matters:

2)	18-00383-UT Judith Amer	IN THE MATTER OF THE FILING OF ADVICE NOTICE NO. 69 BY SOCORRO ELECTRIC
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		COOPERATIVE, INC. SOCORRO ELECTRIC COOPERATIVE, INC., Applicant. <u>POTENTIAL ORDER SCHEDULING PUBLIC COMMENT</u>
3)	19-00102-UT Michael Smith	IN THE MATTER OF AN INVESTIGATION INTO THE PUBLIC SERVICE COMPANY OF NEW MEXICO'S PURCHASE OF PALO VERDE NUCLEAR GENERATING STATION UNIT 1 & 2 LEASES AND THE FINANCIAL IMPACT ON RATEPAYERS <u>POTENTIAL ORDER REQUIRING RESPONSE</u>

VIII. REGULAR ACTION AND DISCUSSION

A. Transportation Matters:

NONE

B. Utility Matters:

NONE

IX. DISCUSSION ONLY

4)	18-00030-UT Judith Amer	IN THE MATTER OF A COMMISSION INQUIRY INTO THE PROCUREMENT PRACTICES OF INVESTOR OWNED ELECTRIC UTILITIES
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X. COMMUNICATIONS WITH CHIEF OF STAFF

XI. COMMUNICATIONS WITH GENERAL COUNSEL

XII. COMMUNICATIONS WITH COMMISSIONERS

XIII. ADJOURNMENT

To obtain a copy of this agenda please log in the Commission's website at www.prc.state.nm.us.

The Commission will make reasonable efforts to post the agenda on the Commission's website at least 72 hours before the open meeting, but the inability to do so within the 72 hours prior, will not require the Commission to delay the meeting or to refrain from taking action on any agenda item on which it otherwise could act.

At any time during the Open Meeting the Commission may close the meeting to the public to discuss matters not subject to the New Mexico Open Meetings Act. The Commission may revise the order of the agenda items considered at this open meeting.

Notice is hereby given that the Commission may request that any party answer clarifying questions or provide oral argument with respect to any matter on the agenda. If the Commission makes such a request, any party present at the meeting, either in person or by telephone, shall have an equal opportunity to respond to such questions or argument. In the event a party whose case is on the agenda chooses not to appear, the absence of that party shall not cause such discussion or argument to become ex-parte communications.

PERSONS WITH DISABILITIES

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE OFFICE OF DIRECTOR OF ADMINISTRATIVE SERVICES OF THE COMMISSION AT (505) 827-4042 AS SOON AS POSSIBLE PRIOR TO THE COMMENCEMENT OF THE OPEN MEETING.

PUBLIC COMMENT

All members of the public wishing to provide public comment must sign a sign-up sheet prior to the start of the meeting and identify their name and the name of the organization they represent (if any), and the topic or issue on which they desire to comment. The portion of the agenda allocated for public comment at any one open meeting shall be limited to a maximum of 30 minutes for all persons wishing to provide comment. The order of speakers will be based on the order in which speakers sign up, but public officials may be taken out of order. If a speaker is not present at the time he or she is called to provide comment, that speaker shall forfeit their opportunity to speak. Public comment by an individual or entity shall be limited to no more than three (3) minutes unless the Commission acts to extend the period. If the number of individuals on the sign-up sheet desiring to provide comment would exceed the

allotted 30-minute period, the Chairman may limit individual remarks to a shorter time period. Individuals represented by or representing a common organization or association may be asked to select one individual to act as spokesperson to speak for the group. Individuals who sign up to comment, but either fail to do so or choose to speak for less than their allotted time, may not cede or yield their time to another speaker. Written comments of individuals who cannot be physically present may not be read aloud at the meeting but may be submitted to the Commission.

The subject matter of public comments shall be relevant to matters within the Commission's jurisdiction. Public comment will not be permitted on matters that should be addressed appropriately as the subject of an informal or formal complaint before the Commission or on pending rulemaking proceedings before the Commission once the opportunity for public comment in those proceedings has closed. Public comment by parties to a proceeding or adjudication pending before the Commission will not be permitted where the comment concerns matters at issue in such proceeding. The Chairman shall retain the right to stop any speaker who raises an issue that is not under the Commission's jurisdiction or is subject to the restrictions above. Public comment will be received without Commission comment or response. However, individual Commissioners may at their option seek clarification or additional information from speakers through the Chairman. No speakers will be accommodated after the public comment portion of the agenda has closed. The Chairman retains the right to exercise discretion in the implementation of this policy and may override the above rules in case of emergency or other unforeseen circumstances.

Speakers providing comment shall at all times conduct themselves in accordance with proper decorum. Profane or vulgar language or gestures will not be tolerated. Audience members shall not disrupt an open meeting by speaking without being recognized by the Commission and shall not incite others to do so. The Commission retains the right to remove disruptive attendees and individuals who fail to conduct themselves in accordance with these provisions from the Commission meeting.

OPEN MEETING: CASE MANAGEMENT MEETING

PUBLIC COMMENT SIGN-IN SHEET

[illegible]

EXHIBIT 3
PRC - May 8, 2019