REQUEST FOR INFORMATION

FOR

WHOLESALE ELECTRIC POWER SUPPLY

FOR

CITY OF SOCORRO, NEW MEXICO

City of Socorro
111 School of Mines Rd.
Socorro, NM 87801

ISSUE DATE: March 29, 2016 DUE DATE: April 29, 2016

1.0 Introduction

The City of Socorro, New Mexico (Socorro or City) is issuing this Request for Information (RFI) for wholesale electric supply to serve portions or all of the retail electric load located within the city limits of Socorro for a term of five (5) or ten (10) years beginning July 1, 2017.

Socorro is seeking non-binding proposals from wholesale power suppliers (Suppliers) to provide the requirements set forth in this RFI to residential, commercial and industrial customers located in Socorro under a fixed price long term power purchase agreement. Socorro will arrange transmission service for final delivery to its system at a later date but requires that delivery under this RFI be assumed to be to either Four Corners 345kV, San Juan 345kV or Tri-State Generation and Transmission Association, Inc.'s (TSGT) 230kV system in central/southern New Mexico (Delivery Points). Other Delivery Points may be acceptable to Socorro. Suppliers should assume that Socorro will obtain the transmission rights to deliver from the Delivery Points to Socorro through Public Service Company of New Mexico (PNM) Transmission and/or TSGT transmission as required based on the Delivery Point indicated in the Suppliers proposal.

2.0 Background

Socorro and its residents and businesses receive electric service from Socorro Electric Cooperative (SEC), a cooperative electric distribution utility regulated by the New Mexico Public Regulation Commission. Wholesale electric supply is provided to SEC by and through TSGT. Such SEC electric supply is delivered by TSGT over TSGT transmission facilities in accordance with a transmission service agreement between TSGT and Public Service Company of New Mexico (PNM).

The City of Socorro has conducted both a preliminary estimate of value and a municipal utility feasibility study investigating the acquisition or (more likely) the construction of electric utility assets within the City and is interested in conducting this RFI for wholesale electric supply subsequent to formation of a municipal electric utility system to be owned and operated by the City of Socorro. The City contracted with Forsgren Associates, Inc. (FAI) to develop a preliminary feasibility study based on its inventory and valuation of assets, determination of current wholesale power supply options, derivation of the total operating cost and debt service, City revenue requirements and rate impact analysis for a portion of the load located within the City.

Socorro is located in Socorro County, New Mexico at an elevation of 4,579 feet. In 2012 the population was 8,906. It is the county seat of Socorro County. Socorro is located 74

miles south of Albuquerque, New Mexico and 146 miles north of Las Cruces, New Mexico. Major employers in Socorro include the New Mexico Institute of Mining and Technology (NM Tech), the Bureau of Land Management, Socorro General Hospital, the National Radio Astronomy Observatory, municipal and county governments, and Socorro Consolidated Schools. A large number of small businesses are represented by the Socorro County Chamber of Commerce. New Mexico Tech is a state-funded research and teaching-oriented university located within the City limits. New Mexico Tech has approximately 1,500 undergraduate students, 500 graduate students, and 150 academic staff.

The estimated system load within the City limits has a demand of 15.38 Megawatts and energy consumption estimated at 78,332 Megawatt-Hours annually. Table 1 below provides estimates of the number of electric customers and electric revenues (of the incumbent provider) located within the City limit of Socorro for 2013.

TABLE 1:

	No.12 of Customers	kWh sales	Revenues: Fixed Rates	Revenues: Marginal Rates	Revenues
Residential	**2,802**	**17,592,682**	**$504,360**	**$2,220,687**	**$2,725,047**
Commercial	**394**	**17,881,958**	**NA**	**NA**	**$2,250,421**
Industrial	**10**	**35,746,808**	**NA**	**NA**	**$3,796,115**
	3,206	**71,221,448**			**$8,771,584**

3.0 Purpose and Scope

This RFI is integral to the process currently underway at the direction of the Socorro City Council and City administration to determine the economic feasibility of the formation of a municipal electric utility enterprise within the City. In the event the formation of the electric utility is determined to be economically feasible, a subsequent binding Request for Proposals will be issued at a future date.

The products contemplated in this RFI are strictly limited to the purchase of firm electric energy for any one or more of the following loads:

Load No. 1: customers located within the Industrial Corridor of Socorro (Industrial Corridor),

Load No. 2: customers located within the Industrial Corridor of Socorro and NM Tech (Industrial Corridor + Tech) or,

Load No. 3: all customers located within the city limits of Socorro (Total City).

3.1 Product Definition

Socorro seeks to procure long term, firm, full/supplemental requirements wholesale electric power supply and scheduling services for the three (3) separate electric loads identified in Section 3.0 all located within the City limits. Suppliers should include the necessary transmission costs and ancillary services required including reserves, scheduling, energy imbalance, and losses to deliver to The Delivery Points described in Section 1.0.

3.2 Forecasted Load Requirements

The estimated monthly energy and peak demands for the first year period July 1, 2017 thru June 30, 2018 are shown below in Table 2 for the (1) Industrial Corridor, (2) Industrial Corridor + Tech and (3) Total City. The projected system demand and energy needs by month and year for the ten years covered under this RFI are attached as:

Exhibit A for Load 1: Industrial Corridor load,
Exhibit B for Load 2: Industrial Corridor + Tech load, and
Exhibit C for Load 3: Total City load.

TABLE 2:

ELECTRIC POWER ESTIMATES
SOCORRO
Industrial Park / Tech / City

MONTH	INDUSTRIAL PARK EST. PEAK DEMAND (MW)	INDUSTRIAL PARK EST. ENERGY (MWh)	TECH PEAK DEMAND (MW)	TECH EST. ENERGY (MWh)	SOCORRO PEAK DEMAND (MW)	SOCORRO EST ENERGY (MWh)
July	2.83	1,440	4.53	2,300	13.3	6,645
August	2.71	1,300	4.38	2,100	12.9	6,290
September	2.64	1,290	4.27	2,090	12.6	6,035
October	2.20	1,265	3.72	2,140	10.95	6,120
November	1.80	980	3.20	1,750	9.42	5,490
December	2.29	1,290	3.73	2,100	11.0	6,025
January	2.08	1,230	3.57	2,110	10.50	6,030
February	2.07	1,130	3.58	1,950	10.50	5,780
March	2.15	1,250	3.66	2,130	10.8	6,085
April	2.27	1,270	3.82	2,135	11.2	6,105
May	2.27	1,155	3.81	1,940	11.2	5,800

June	1.93	905	3.39	1,590	10	5,210
	Annual Use	14,505	Annual Use	24,335	Annual Use	71,615

Use estimates in this Table 2 are derived from limited data obtained direct from users' electric bills. Usage is projected from incomplete data and compared to audit power sales as reported to the NM PRC. Information in the above table should be used for estimating purposes only, and actual data from the Socorro Electric Cooperative should be used for accurate projections of actual power.

Suppliers should indicate if there are pricing differences for providing service to each of the three loads (Industrial Corridor, Industrial Corridor + Tech, and Total City) and explain the cause of the pricing differences.

3.3 Response Content Requirements

Suppliers shall specify any limitations or qualifications of each offer including any minimum or maximum monthly demand levels, demand ratchets or other pricing elements that are assumed in the prices being proposed. If submitting separate and/or multiple proposals please provide each of the Response Content Requirements for each proposal. Responses must be submitted via email to the RFI administrators indicated in Section 4.2 below.

The responses should include, in the following order:

a. Supplier shall indicate which load is proposed to be served, i.e. Load 1: Industrial Corridor, or, Load 2: Industrial Corridor + Tech, or, Load 3: Total City. However, Suppliers are encouraged to submit at least a Total City and/or an Industrial Corridor + Tech proposal.

b. Delivery Point(s) – Supplier shall indicate the Delivery Points Supplier will deliver the firm power.

c. Pricing – Supplier shall indicate the total cost of power delivered to the Delivery Point(s) as indicated above. Such pricing may be in the form of a Firm Energy Price ($/MWh) or may be structured with a Monthly Demand Charge ($/kW-Month) and separate Energy Charge ($/MWh).

d. Supplier shall specify which of the following ancillary services are being provided to the Delivery Point(s):

1) Schedule 1 - Scheduling, System Control and Dispatch Service;
2) Schedule 2 – Reactive Supply and Voltage Control
3) Schedule 3 - Regulation and Frequency Response Service;
4) Schedule 5 - Energy Imbalance Service;
5) Schedule 5 - Operating Reserves (Spin);
6) Schedule 6 - Operating Reserves (Non-Spin)
7) Energy Losses.

e. Supplier must specify a willingness to supply a five (5) year term, a ten (10) year term or a term between five and ten years for any of the indicated loads.

4.0 RFI Schedule and Communications

4.1 Schedule

The following schedule applies to this RFI. Socorro reserves the right to revise this schedule at any time and will notify potential Suppliers of any such changes. Notifications regarding any schedule revisions will be emailed to the Supplier.

Activity	Date
RFI Issued	March 29, 2016
Initial RFI Conference Call	April 8, 2016 10:00 AM MST
Supplier Information Letter	April 15, 2016 5:00 PM MST
Q&A Closes	April 15, 2016 5:00 PM MST
Proposal Responses Due	April 29, 2016 5:00 PM MST
Respondent Results Notifications	May 20, 2016

4.2 Communications

All communications should be directed to the RFI administrators. The contact information for the RFI administrators and the City are:

RFI Administrators:
Edwin Reyes Jr.
Enchantment Energy Consulting, LLC
Principal
8505 Hilton Ave. NE
Albuquerque, NM 87111
(505) 239-1714
E-Mail: edwin.reyes.jr@comcast.net

City Of Socorro
Leopoldo (Polo) Pineda, Jr.
Chief Procurement Officer/IT Director
111 School of Mines Rd.
Socorro, NM 87801
(505) 835-0240
E-Mail: ppineda@socorronm.gov

5.0 Questions

All questions regarding this RFI must be submitted in writing to the RFI administrators. Questions and responses will be distributed to all Suppliers and posted to the City's website. All identifying information will be redacted from any questions and responses prior to posting on the City's website.

6.0 Respondent Information

Suppliers shall provide the RFI administrators, via email, a Supplier Information Letter providing the information requested below and relevant experience providing similar services under a full/supplemental requirements power purchase arrangement. Supplier Information Letters are due on the date shown in Section 4.1.

Supplier Information Letters Shall Include:

1. Company Name
2. Company Address
3. Supplier Primary Contact
   a. Name
   b. Phone number
   c. Email address
   d. Fax number
4. Relevant Experience - A brief description of experience in relevant energy markets.
5. Any limitations preventing Supplier from providing any services described in this RFI.

7.0 Requests for Additional Information from Suppliers

The RFI administrators may contact any Supplier to obtain additional clarification regarding the Supplier's RFI response. All requests for information from the RFI administrators will be in writing, via email.

8.0 Evaluation of Responses

Upon receipt of responses, the RFI administrators will evaluate proposals based on the following criteria:

- Pricing Structure
- Proposed Term (5 or 10 years)
- Delivery Point
- Ancillary Services offered
- Overall value of delivered Firm Energy

9.0 Notification

Suppliers will be notified of the results of the RFI by email to the Suppliers' primary contact.

10.0 Subsequent Request for Proposals (RFP)

After evaluating the responses, Socorro may or may not issue a subsequent RFP for power based on the responses, market conditions, the feasibility of proceeding, or, for any other reason. In the event the responses substantiate the viability of a municipal utility, Socorro expects to issue a binding RFP in the 2017 time frame, which RFP should result in a power purchase agreement supply the wholesale requirements of Socorro. The terms and conditions of the power supply agreement will be similar and/or consistent with the terms and conditions of the Western States Power Pool (WSPP) Master Purchase and Sale Agreement.

11.0 Disclosure

Information provided during this RFI process shall be subject to applicable state and federal public disclosure laws.

Total Industrial Park Monthly System Demand Estimate(kW)
2016-2025

Summary Data

	2016 Peak kW	2017 Peak kW	2018 Peak kW	2019 Peak kW	2020 Peak kW	2021 Peak kW	2022 Peak kW	2023 Peak kW	2024 Peak kW	2025 Peak kW	2026 Peak kW
January	2,101	2,122	2,143	2,164	2,186	2,208	2,230	2,252	2,275	2,298	2,321
February	2,091	2,112	2,133	2,154	2,176	2,197	2,219	2,242	2,264	2,287	2,309
March	2,172	2,193	2,215	2,237	2,260	2,282	2,305	2,328	2,351	2,375	2,399
April	2,293	2,316	2,339	2,362	2,386	2,410	2,434	2,458	2,483	2,507	2,533
May	2,293	2,316	2,339	2,362	2,386	2,410	2,434	2,458	2,483	2,507	2,533
June	1,949	1,969	1,988	2,008	2,028	2,049	2,069	2,090	2,111	2,132	2,153
July	2,858	2,887	2,916	2,945	2,974	3,004	3,034	3,064	3,095	3,126	3,157
August	2,737	2,764	2,792	2,820	2,848	2,877	2,905	2,935	2,964	2,994	3,023
September	2,666	2,693	2,720	2,747	2,775	2,802	2,830	2,859	2,887	2,916	2,945
October	2,222	2,244	2,267	2,289	2,312	2,335	2,359	2,382	2,406	2,430	2,454
November	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	1,988	2,008
December	2,313	2,336	2,359	2,383	2,407	2,431	2,455	2,480	2,505	2,530	2,555

Estimates in this table are Peak Demand values derived from public audit files and not actual use files and should be used accordingly.

Total Ind Park Monthly System Use Estimate(kWh)
2016-2025

Summary Data

Month	2016 Peak kWh	2017 Peak kWh	2018 Peak kWh	2019 Peak kWh	2020 Peak kWh	2021 Peak kWh	2022 Peak kWh	2023 Peak kWh	2024 Peak kWh	2025 Peak kWh
Jan	1,440,000	1,454,400	1,468,944	1,483,633	1,498,470	1,513,454	1,528,589	1,543,875	1,559,314	1,574,907
Feb	1,300,000	1,313,000	1,326,130	1,339,391	1,352,785	1,366,313	1,379,976	1,393,776	1,407,714	1,421,791
Mar	1,290,000	1,302,900	1,315,929	1,329,088	1,342,379	1,355,803	1,369,361	1,383,055	1,396,885	1,410,854
Apr	1,265,000	1,277,650	1,290,427	1,303,331	1,316,364	1,329,528	1,342,823	1,356,251	1,369,814	1,383,512
May	980,000	989,800	999,698	1,009,695	1,019,792	1,029,990	1,040,290	1,050,693	1,061,200	1,071,812
Jun	1,290,000	1,302,900	1,315,929	1,329,088	1,342,379	1,355,803	1,369,361	1,383,055	1,396,885	1,410,854
Jul	1,230,000	1,242,300	1,254,723	1,267,270	1,279,943	1,292,742	1,305,670	1,318,726	1,331,914	1,345,233
Aug	1,130,000	1,141,300	1,152,713	1,164,240	1,175,883	1,187,641	1,199,518	1,211,513	1,223,628	1,235,864
Sep	1,250,000	1,262,500	1,275,125	1,287,876	1,300,755	1,313,763	1,326,900	1,340,169	1,353,571	1,367,107
Oct	1,270,000	1,282,700	1,295,527	1,308,482	1,321,567	1,334,783	1,348,131	1,361,612	1,375,228	1,388,980
Nov	1,155,000	1,166,550	1,178,216	1,189,998	1,201,898	1,213,917	1,226,056	1,238,316	1,250,699	1,263,206
Dec	905,000	914,050	923,191	932,422	941,747	951,164	960,676	970,282	979,985	989,785
Total	**14,505,000**	**14,650,050**	**14,796,551**	**14,944,516**	**15,093,961**	**15,244,901**	**15,397,350**	**15,551,323**	**15,706,837**	**15,863,905**

Estimates in this table represent energy use values from partial data available from audit files and should be used accordingly.

Total IndPk + Tech Monthly System Demand Estimate(kW)
2016-2025

Summary Data

	2016 Peak kW	2017 Peak kW	2018 Peak kW	2019 Peak kW	2020 Peak kW	2021 Peak kW	2022 Peak kW	2023 Peak kW	2024 Peak kW	2025 Peak kW	2026 Peak kW
January	5,707	5,764	5,821	5,879	5,938	5,998	6,058	6,118	6,179	6,241	6,304
February	5,707	5,764	5,821	5,879	5,938	5,998	6,058	6,118	6,179	6,241	6,304
March	5,868	5,927	5,986	6,046	6,106	6,167	6,229	6,291	6,354	6,418	6,482
April	6,151	6,212	6,275	6,337	6,401	6,465	6,529	6,595	6,661	6,727	6,794
May	6,141	6,202	6,264	6,327	6,390	6,454	6,519	6,584	6,650	6,716	6,783
June	5,373	5,427	5,481	5,536	5,591	5,647	5,704	5,761	5,818	5,877	5,935
July	7,434	7,508	7,583	7,659	7,735	7,813	7,891	7,970	8,050	8,130	8,211
August	7,161	7,233	7,305	7,378	7,452	7,526	7,601	7,677	7,754	7,832	7,910
September	6,979	7,049	7,119	7,191	7,262	7,335	7,408	7,483	7,557	7,633	7,709
October	5,979	6,039	6,099	6,160	6,222	6,284	6,347	6,411	6,475	6,539	6,605
November	5,050	5,101	5,152	5,203	5,255	5,308	5,361	5,414	5,468	5,523	5,578
December	6,080	6,141	6,202	6,264	6,327	6,390	6,454	6,519	6,584	6,650	6,716

Estimates in this table are Peak Demand values derived from public audit files and not actual use files and should be used accordingly.

Total Ind Park + Tech Monthly System Use Estimate(kWh)
2016-2025

Summary Data

Month	2016 Peak kWh	2017 Peak kWh	2018 Peak kWh	2019 Peak kWh	2020 Peak kWh	2021 Peak kWh	2022 Peak kWh	2023 Peak kWh	2024 Peak kWh	2025 Peak kWh	2026 Peak kWh
Jan	3,740,000	3,777,400	3,815,174	3,853,326	3,891,859	3,930,778	3,970,085	4,009,786	4,049,884	4,090,383	4,131,287
Feb	3,400,000	3,434,000	3,468,340	3,503,023	3,538,054	3,573,434	3,609,169	3,645,260	3,681,713	3,718,530	3,755,715
Mar	3,380,000	3,413,800	3,447,938	3,482,417	3,517,242	3,552,414	3,587,938	3,623,817	3,660,056	3,696,656	3,733,623
Apr	3,405,000	3,439,050	3,473,441	3,508,175	3,543,257	3,578,689	3,614,476	3,650,621	3,687,127	3,723,998	3,761,238
May	2,730,000	2,757,300	2,784,873	2,812,722	2,840,849	2,869,257	2,897,950	2,926,930	2,956,199	2,985,761	3,015,618
Jun	3,390,000	3,423,900	3,458,139	3,492,720	3,527,648	3,562,924	3,598,553	3,634,539	3,670,884	3,707,593	3,744,669
Jul	3,340,000	3,373,400	3,407,134	3,441,205	3,475,617	3,510,374	3,545,477	3,580,932	3,616,741	3,652,909	3,689,438
Aug	3,080,000	3,110,800	3,141,908	3,173,327	3,205,060	3,237,111	3,269,482	3,302,177	3,335,199	3,368,551	3,402,236
Sep	3,380,000	3,413,800	3,447,938	3,482,417	3,517,242	3,552,414	3,587,938	3,623,817	3,660,056	3,696,656	3,733,623
Oct	3,405,000	3,439,050	3,473,441	3,508,175	3,543,257	3,578,689	3,614,476	3,650,621	3,687,127	3,723,998	3,761,238
Nov	3,095,000	3,125,950	3,157,210	3,188,782	3,220,669	3,252,876	3,285,405	3,318,259	3,351,442	3,384,956	3,418,805
Dec	2,495,000	2,519,950	2,545,150	2,570,601	2,596,307	2,622,270	2,648,493	2,674,978	2,701,727	2,728,745	2,756,032
Total	**38,840,000**	**39,228,400**	**39,620,684**	**40,016,891**	**40,417,060**	**40,821,230**	**41,229,443**	**41,641,737**	**42,058,154**	**42,478,736**	**42,903,523**

Estimates in this table represent energy use values from partial data available from audit files and should be used accordingly.

Total City Socorro Monthly System Demand Estimate(kW)
2016-2025

Summary Data

	2016 Peak kW	2017 Peak kW	2018 Peak kW	2019 Peak kW	2020 Peak kW	2021 Peak kW	2022 Peak kW	2023 Peak kW	2024 Peak kW	2025 Peak kW	2026 Peak kW
January	10,605	10,711	10,818	10,926	11,036	11,146	11,257	11,370	11,484	11,599	11,715
February	10,605	10,711	10,818	10,926	11,036	11,146	11,257	11,370	11,484	11,599	11,715
March	10,908	11,017	11,127	11,239	11,351	11,464	11,579	11,695	11,812	11,930	12,049
April	11,312	11,425	11,539	11,655	11,771	11,889	12,008	12,128	12,249	12,372	12,495
May	11,312	11,425	11,539	11,655	11,771	11,889	12,008	12,128	12,249	12,372	12,495
June	10,100	10,201	10,303	10,406	10,510	10,615	10,721	10,829	10,937	11,046	11,157
July	13,433	13,567	13,703	13,840	13,978	14,118	14,259	14,402	14,546	14,691	14,838
August	13,029	13,159	13,291	13,424	13,558	13,694	13,831	13,969	14,109	14,250	14,392
September	12,726	12,853	12,982	13,112	13,243	13,375	13,509	13,644	13,780	13,918	14,057
October	11,060	11,170	11,282	11,395	11,509	11,624	11,740	11,857	11,976	12,096	12,217
November	9,514	9,609	9,705	9,802	9,901	10,000	10,100	10,201	10,303	10,406	10,510
December	11,110	11,221	11,333	11,447	11,561	11,677	11,793	11,911	12,031	12,151	12,272

Estimates in this table are Peak Demand values derived from public audit files and not actual use files and should be used accordingly.

Total City Socorro Monthly System Use Estimate(kWh)
2016-2025

Summary Data

Month	2016 Peak kWh	2017 Peak kWh	2018 Peak kWh	2019 Peak kWh	2020 Peak kWh	2021 Peak kWh	2022 Peak kWh	2023 Peak kWh	2024 Peak kWh	2025 Peak kWh	2026 Peak kWh
Jan	6,646,170	6,712,632	6,779,758	6,847,556	6,916,031	6,985,192	7,055,044	7,125,594	7,196,850	7,268,818	7,341,507
Feb	6,288,463	6,351,348	6,414,861	6,479,010	6,543,800	6,609,238	6,675,330	6,742,084	6,809,504	6,877,599	6,946,375
Mar	6,033,118	6,093,449	6,154,384	6,215,928	6,278,087	6,340,868	6,404,277	6,468,319	6,533,003	6,598,333	6,664,316
Apr	6,120,054	6,181,254	6,243,067	6,305,497	6,368,552	6,432,238	6,496,560	6,561,526	6,627,141	6,693,413	6,760,347
May	5,489,636	5,544,533	5,599,978	5,655,978	5,712,537	5,769,663	5,827,359	5,885,633	5,944,489	6,003,934	6,063,974
Jun	6,024,732	6,084,979	6,145,829	6,207,287	6,269,360	6,332,054	6,395,374	6,459,328	6,523,921	6,589,161	6,655,052
Jul	6,027,500	6,087,775	6,148,653	6,210,140	6,272,241	6,334,963	6,398,313	6,462,296	6,526,919	6,592,188	6,658,110
Aug	5,780,475	5,838,280	5,896,663	5,955,630	6,015,186	6,075,338	6,136,091	6,197,452	6,259,426	6,322,021	6,385,241
Sep	6,086,014	6,146,874	6,208,343	6,270,426	6,333,130	6,396,462	6,460,426	6,525,031	6,590,281	6,656,184	6,722,745
Oct	6,106,250	6,167,312	6,228,985	6,291,275	6,354,188	6,417,730	6,481,907	6,546,726	6,612,194	6,678,316	6,745,099
Nov	5,796,727	5,854,694	5,913,241	5,972,374	6,032,097	6,092,418	6,153,342	6,214,876	6,277,025	6,339,795	6,403,193
Dec	5,208,067	5,260,147	5,312,749	5,365,876	5,419,535	5,473,730	5,528,468	5,583,752	5,639,590	5,695,986	5,752,946
Total	**71,607,206**	**72,323,278**	**73,046,511**	**73,776,976**	**74,514,746**	**75,259,893**	**76,012,492**	**76,772,617**	**77,540,343**	**78,315,747**	**79,098,904**

Estimates in this table represent energy use values from partial data available from audit files and should be used accordingly.