

New Mexico Spaceport Authority
Special Meeting
July 7, 2009
NM Spaceport Authority Office
Las Cruces, NM

The meeting was called to order by Chairwoman Daniela Glick. Roll call was taken with seven members present. Quorum confirmed. Officials and guests present included: Steve Landeene, NMSA, Steve Amland, NMSA, MaryAnn Myers, NMSA, Belinda Lucero, NMSA, Roy Stevenson, PRC, Jim Hayhoe, Kent Evans and Todd Dickson, LC Bulletin.

Members Present:

Daniela Glick – conference call
Brent Westmoreland – conference call
Eric Vasquez – conference call
Toots Green – conference call
Ben Woods
William Loomis
Richard Holdridge – conference call

Members Not Present:

Jim Manatt

Agenda:

Motion: Director Green moved to approve the agenda. Director Loomis seconded the motion. Motion carried.

Sierra Electric Co-op agreement discussion and possible action:

Steve Landeene advised that the agreement has been in process for more than two years. It is understood that PRC has developed service boundaries and Sierra Electric services this region and Tri-State is their service provider. There were many issues that had to be addressed including anti-donation, the Sierra line extension policy which requires upfront payment required the creation of a special exemption to be able to handle this since this is not normal practice for the state. He continued discussing the fact that El Paso Electric was evaluated and deemed that the costs would be as high or higher in addition to the service territory issue. Renewable power with diesel generators was also evaluated, also deeming the cost being too high due to the power purchase agreement with a guarantee. Although an add on renewable is a very viable source for the future. This agreement is not a traditional agreement and the relationship between NMSA and SEC is also unique. Mr. Landeene advised that the rate schedule will be created by Sierra Electric and will have to be approved by the PRC. The Authority has the right to file a protest if the rate is considered not fair and equitable. Roy Stevenson clarified that PRC does not establish service territories and if a provider files a line extension it is open to challenge by other providers.

PRC's criteria would then be to determine what is the closest and the most economical in terms of construction. Director Woods questioned how the system will be run and how the costs will be recuperated. He questioned the Virgin Galactic lease and if it includes payment of a metered amount for power. Mr. Landeene advised that power is an additional charge, although how the charge is to be established has not been defined. The expectation is to put in a meter at the THF so that it can be determined how much to apply to them, but a margin cannot be added to the charge. Mr. Woods asked for clarification from PRC on not becoming a utility provider. Mr. Stevenson advised that they have not had any situations like this but discussions have led to this: if you are not serving the general public with electricity you are not a utility provider. He advised they do have sub-metering situations. Mr. Landeene advised that Sierra Electric has been asked to provide a proposal for maintenance and operating costs for the six miles of utilities and a similar proposal will be requested for the on-site utilities as well. He advised that the primary driver was believing that if the state is paying they should maintain ownership as an asset. He stated the substation was a natural break because of safety, regulatory and utility issues regarding substations. The other issue as a state entity is the property tax, operating and maintenance rates, and insurance rates, minimizing the pass through cost from Sierra Electric. Director Woods discussed the possibility of including the operating and maintenance costs in the rate for users so that it is captured by the users and not as a cost for the spaceport.

Motion: Director Woods moved to approve the Sierra Electric Agreement. Director Loomis seconded the motion.

Discussion followed on the fact that the rate structure is not in place. The PRC will have greater input on the rate than the customer. Steve Landeene advised that Jim Manatt asked that the issue of Sierra Electric being the sole power provider be reviewed and that the Facilities Committee review the exhibits to assure the charges are typical prior to the Board making a motion to approve. Mr. Landeene stated he believes this agreement is the best alternative at this time and is looking forward to introducing renewables in the future. Director Woods stated that for this facility to try to operate without grid connectivity is not viable, feasible or possible and renewables can offset some of the purchase load in the future. Chair Glick stated that the primary mission is to be a facility for our customers and we must provide consistent and reliable power to operate their businesses. Director Holdridge commented that power is crucial and this agreement is the most logical approach at this time.

Roll Call Vote:

Daniela Glick, Chair – yes

Brent Westmoreland – yes

Toots Green – yes

Ben Woods – yes

William Loomis – yes

Richard Holdridge – yes

Motion carried.

Discussion and approval of Certificate of Incumbency:

Steve Amland advised that this certificate is required when there is an agreement for electricity provision by Sierra Electric. They have provided the format which has been modified to be accurate and quote the statute which describes the authority the spaceport has to enter into agreements.

Motion: Director Woods moved to approve the certificate of incumbency. Director Green seconded the motion. Motion carried.

Public Comment:

Director Woods commented on the efforts put forth for the Ground Breaking event.

Next meeting is scheduled for September 10, 2009

Meeting adjourned.

Approved: _____ Date: _____
Daniela Glick, Chair