



Jemez Mountains Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative

La Luz

JMEC Newsletter October 2020

Board Trustee John Tapia Recognized for NRECA Board Leadership Program Certification

John Tapia, Board of Trustee At-Large, was recognized at the Sep. 25 JMEC Board of Trustee meeting for completing the National Rural Electric Cooperative Association 'Board Leadership Program' certification.

Tapia has completed months of NRECA online courses that resulted with a completion of the certificate program earlier this year in March. The NRECA is an in-depth certification program designed for board members who serve cooperatives like JMEC. The focus of this certification is specific for the purpose and value of the cooperative business model, bylaws, policy development, ethics, and political engagement.

Pictured is Trustee Tapia being presented his Certificate of Completion by Board of Trustee President Leo Marquez. Included are Trustees (left to right), Nick Naranjo, Charlie Trujillo, Johnny Jaramillo. Courtesy Photo by JMEC.



Medio Fire Update

The Medio Fire started on August 17, 2020 and originated on Rio en Medio Trail managed by the Española Ranger District of the Santa Fe National Forest. The fire has been determined to have been caused by lightning away from the JMEC power lines with a final size of 4,010 acres consumed by the fire.

In a recent report submitted to JMEC from the Forest Service Line Superintendent, "The fire is at 100% containment. Firefighter crews have been monitoring the perimeter to ensure that the lines are holding and the edges are cold. Crews will watch for hot spots in the fire's interior that may cause visible smoke."

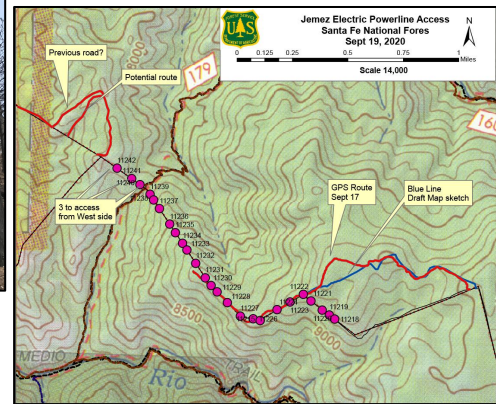
A "Closure Order" remains in effect prohibiting members of the public from entering the area around the Medio Fire. This includes all Forest Service lands, roads & trails.

JMEC has realized losses of 26 poles burnt, approximately 2 miles of line and nearly 2 miles worth of conductor wire.

Initial **Estimated Costs** for repairs which includes materials, labor, equipment and helicopter use to bring in and install poles is **estimated** at approximately \$632,807.

JMEC remains committed to established communication and to working collaboratively with local stakeholders and JMEC consumers affected by the fire.

We are committed to getting JMEC power lines back to full operation. Currently, power is being run through portable generators. While staging is taking place at the Santa Fe Ski Basin.



Burnt JMEC Power Line Pole with Fire Crew assessing the burn and Map highlighting 2 miles of burnt JMEC Power Lines. Photo and map courtesy of the Santa Fe National Forest Service.

Local Stakeholders and JMEC Consumers: Albuquerque Ambulance, City of Santa Fe, Comment Four Corners, Computer Network Service Professionals, Española Public Schools, Hutton Broadcasting, Los Alamos County, Pueblo of Tesuque, Nambe Pueblo, San Miguel County Fire, Santa Fe County Sheriff's Dept., Santa Fe Public Schools, Ski Santa Fe, T-Mobile West.

REPORT An Outage 24 HOURS A DAY! Automated OMS (Outage Management System) will track everyone that is out to make sure everyone has power restored. You can report and track the outage three ways:


1. Call the outage hotline at - 1-877-753-0095
2. Online Customer Portal - <https://billing.jemezcoop.org/oscp/>
3. JMEC Mobile App.

Have a question? - Contact Us Toll Free: 1-888-755-2105
Española Office, Jemez Springs Office, and Cuba Office





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Board of Directors

Leo R. Marquez II - District No. 6, President
Harold C. Trujillo - District No. 5, Vice-President
Nick R. Naranjo - District No. 5, Secretary
Johnny Jaramillo - District No. 3, Treasurer
John Tapia - Trustee-At-Large, Asst. Secretary-Treasurer

Lucas Cordova, Jr. - District No. 4
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Bruce Duran - District No. 6
Dennis Trujillo - District No. 1
Stanley Crawford - District 5
Dolores G. McCoy - District 2

Ernesto A. Gonzales, General Manager

UPDATE: JMEC Cost of Service Study

Dating back to 2017 the Board of Trustees raised the question of the Co-op's existing retail rate design and its annual impact to JMEC revenues and the operational facilities expenses. After a thorough review of the annual financial reports, there was evidence that indicated a loss of revenue and the potential for a continued trend for lost revenue. Taking into consideration these factors and disparities, the Board of Trustees realized that it was in the best interest of the Co-op to initiate the Cost of Service Study.

What is a "retail rate design"? In simple terms, it is a rate that allows for the Co-op to generate sufficient revenues in order for JMEC to meet its financial obligations and the mortgage requirements of our lenders. JMEC Lenders include the USDA's Rural Utility Service Electric Program, the National Rural Utilities Cooperative Finance Corporation, and Co-Bank. The "revenue classes" of 'residential', 'small commercial', and 'large commercial' all pay a equitable share into the "retail rate." In order for JMEC to achieve a sufficient revenue, the Co-op needs to best understand how to assess an "across the board" increase to the **facilities charge** of the different revenue classes.

To best address the retail rate design concerns, the Board called upon the National Rural Utilities Cooperative Finance Corporation (CFC) to conduct a formal review of the Co-op's existing revenue and complete a rate study. The CFC, through discussions with JMEC management and staff, took into consideration and concurred that the Cost of Service Study must provide the best balance between the needs of the consumers for reliable service and low rates and the needs of the cooperative for adequate financial resources and financial stability. The objective of a Cost of Service Study set out to determine as precise as possible what it costs "The Co-op" to provide electricity to a consumer over the course of a year by individual rate classification. The study also provides information as to which rate classifications are providing revenues in excess of their costs and which rate classifications are providing revenues insufficient to cover their costs.

Results of the Study indicated and reaffirmed that JMEC was experiencing a loss of revenue. Based upon this professional analysis, the Board of Trustees have immediately begun further discussions on the results of the Study; the redesign of the existing retail rate that will address the annual loss of revenue; and what will be the best practice for differing adjustments to rate classification. More on the Study results to be noticed to JMEC consumers.

UPDATE: NMPRC Issues 'Final Order' On JMEC Rate 14

On June 10, 2020 The New Mexico Public Regulation Commission ("NMPRC") issued its "Final Order" of the mediated settlement on Case No. 19-00225-UT to dismiss the formal complaint made by a member of Jemez Mountains Electric Cooperative, Inc. The Final Order addresses the issue of compliance with Rule 570 regarding Cogeneration and Small Power Production (179.570 NMAC).

At the center of Rule 570 is Rate No. 14, the *Standard Tariff for Electricity Purchases From and Sales to Qualifying Facilities*. The ruling on the mediated settlement of "Rate 14" resulted in an agreement that JMEC will ensure full compliance of "Rate 14" with Rule 570 of the New Mexico Administrative Code. As part of the mediated settlement, JMEC has agreed that those JMEC consumers who are subject to Rate 14 ("net metering consumers") should be paying all applicable charges and rate riders under Jemez' Rate No. 19, Native American Access Costs Recovery ("Rate 19"), including both Rate Rider No.2 for system costs and rate riders imposed to recover local costs.

In summary, The Co-op is providing preliminary notice to our consumers that this issue has been ruled upon by the NMPRC as of June 10, 2020. JMEC will be issuing an official Public Notice in the near future that will include a breakdown of what this ruling means for our consumers and the Co-op.

"Rate 14" information can be found at the NMPRC website: <http://www.nmprc.state.nm.us/> - Final Order Granting Joint Motion to Dismiss Formal Complaint in Case No. 19-00225-UT.



JMEC Building near complete. Business operations at the new facility opening soon, Courtesy photo.

JMEC Notice of REINSTATEMENT of Credit Card Fee To Take Effect Nov. 1

Due to the COVID-19 Pandemic, credit card fees were waived and absorbed by the Co-op. Effective November 1, 2020, the *credit card fee of 2.45% will be reinstated* for credit card payments *only*. We wish to remind our consumers that there is *no fee* if bill payments are made by "*E-check*."