



Utah Associated Municipal Power Systems



April 22, 2016

SENT VIA FEDERAL EXPRESS

Mr. Edwin Reyes Jr.
Enchantment Energy Consulting, LLC
8505 Hilton Ave. NE
Albuquerque, NM 87111

Mr. Leopoldo (Polo) Pineda, Jr.
Chief Procurement Officer/IT Director
111 School of Mines Rd.
Socorro, NM 87801

Dear Gentlemen:

Utah Associated Municipal Power Systems ("UAMPS") received the City of Socorro (the "City") Request for Information for Wholesale Electric Power Supply ("RFI") but is unable to respond directly to the RFI, as outlined below.

UAMPS is a Member based, not for profit, joint action agency that was established in 1980 under the Utah Interlocal Cooperation Action (Title 11, Chapter 13). UAMPS provides comprehensive electric energy services to its Members, which are comprised of 45 community-owned power systems throughout the eight Intermountain West states including Utah, New Mexico, Arizona, California, Idaho, Nevada, Oregon and Wyoming. UAMPS currently has two New Mexico Members, the City of Gallup and our newest Member, Los Alamos County.

UAMPS' purposes include the planning, financing, developing, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission and management of electric energy for the benefit of the Members. UAMPS is project-based and presently operates 16 separate projects including ownership in conventional and renewable electric generation, power dispatch scheduling, transmission services and investigation of new power resources. UAMPS has an undivided ownership interest in Unit 4 of the San Juan Station and it acts as a single purchasing agent for 32 Members' firm allocation of Western Colorado River Storage Project ("CRSP"). UAMPS is currently investigating the feasibility of installing a small modular reactor project using NuScale technology. A complete list of UAMPS' projects can be found on the website at www.uamps.com.

As an alternative to a formal response to your RFI we would suggest that you consider joining UAMPS. UAMPS could provide all services at cost as requested by the City. For example, if the City became a Participant of our Pool Project you could have access to an hourly resource clearinghouse where UAMPS, as

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an agent, will provide electrical services such as scheduling; marketing; wheeling and ancillary services. Each Participant determines the services they desire to be provided. The Participants, in the Pool Project, are not required to purchase any, or all, of its power supply from UAMPS. A copy of the Pool Project Agreement is enclosed.

UAMPS would work with the City to develop a resource portfolio to meet the City's ongoing energy and capacity needs at cost-based rates. Joint action with other Members of UAMPS with similar resource needs provides economy of scale that a single utility would not experience. UAMPS has the ability to purchase firm market products for the sole delivery to the City and be the City's scheduling agent for its CRSP resource.

One option that may meet the City's desire for renewable resources is UAMPS' wind projects and our waste heat project. Again, through the Pool Project the City would have access to purchase from these resources, as well as, conventional coal and natural gas fired generation projects.

UAMPS is a co-owner of the San Juan 4 generator and has transmission rights at the San Juan bus. If the City acquired network transmission service from PNM, we could physically deliver our San Juan resources to cover your load needs. When the San Juan resource is unavailable, we would use our scheduling and marketing department to provide other resources to your Point of Delivery. The City would only be billed for the resources that the City had contracted for as well as any load following transactions with the UAMPS Pool. For example, if the City contracted for all of its supplemental load needs from a resource in Northern Utah, UAMPS Pool would be able to physically serve the load with San Juan, but financially serve the load with that resource and avoid pancaked transmission charges.

All Members of UAMPS enter into the UAMPS Amended and Restated Agreement for Joint and Cooperative Action (the "Joint Action Agreement"). The Joint Action Agreement is UAMPS' organizational agreement, which provides for the operation of UAMPS. The Joint Action Agreement also provides for the admission of new Members that: 1) own and operate an electric system for the provision of electric service at retail to the general public within its service area, 2) eligible for a preference contract from a federal power marketing agency, 3) upon being accepted as a participant of a project, and 4) being approved as a participant of such project by the Board of Directors. UAMPS' project-based structure allows Members to make their own election to participate in project. Once a Member elects to participate in a project, they enter into a contract that specifies the services or products to be provided by UAMPS. A copy of the Joint Action Agreement and Bylaws are enclosed.

If this alternative to the RFI has interest by the City, we would welcome the opportunity to meet to provide more detailed information about UAMPS and to discuss the City's energy services needs.

Sincerely,



Jackie Coombs
Manager of Corporate and Member Services

Enclosures