

BOARD OF PUBLIC UTILITY COMMISSION

The special meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Thursday, June 20, 2019 at 3:00 p.m., in the Executive Conference Room, City Hall, 800 Municipal Dr., Farmington, New Mexico in full conformity with the laws and ordinances of the Municipality.

GENERAL

Commission members present:

James Spence
Jeff Parkes
Marty Johnson
Alex Uhl
Connie Dinning
Tory N. Larsen
Chris Hunter
Joanne Duckwitz

Commission members absent:

Gordon Glass
Kyle Westall

City personnel present:

Electric Utility Director
Electric Engineering
Public Works Department
Administrative Services
Administrative Services
Administrative Services
City Attorney
PUC Secretary

Hank Adair
John Armenta
Jeff Smaka
Olana Erickson
Sheree Wilson
Teresa Emrich
Jennifer Breakell
Amy McKinley

Guests:

Cliff Horace

Chair Spence called the meeting to order at 3:00 pm with a quorum present to conduct the business of the Commission.

BUSINESS

Electric Vehicle Charging Station project

Mr. Hank Adair, Electric Utility Director provided a presentation regarding the proposed installation of five (5) electric vehicle charging stations; four dual port stations to be located at various locations through the FEUS service area and one single port station to be located at the MOC for utility use.

Suggested locations are:

Location No. 1 – downtown Farmington in the city parking lot north of Browns Shoe Fit.
Location No. 2 – San Juan Regional Medical Center (SJRMC). Mr. Adair said FEUS has not communicated with SJRMC; he reiterated that this location is a suggestion.
Location No. 3 – City of Farmington’s Berg Park at the Rocky Reach Terrace area.
Location No. 4 – Farmington Electric Utility System Customer Service parking lot
Location No. 5 – City of Farmington Museum at Gateway Park and the planned Iconic Park location.
Location No. 6 – Broadly speaking the East Main shopping area (mall, Walmart, Sportsman Warehouse vicinity). Mr. Adair said FEUS has not communicated with private property owners.
Location No. 7 - Navajo Lake State Park. The State of New Mexico owns this location.
It is possible there are protocols in place regarding the installation of electric vehicle charging stations and the approval process could be time consuming.

The presentation noted bids received for the stations are for Level 2 Charging stations allowing for faster charging capability. The maximum charge rate of a Level 2 charger is 25 RPH (miles per range hour).

Discussion ensued regarding the suggested locations. Mr. Adair reiterated the locations noted are suggestions and stations placed on private and state owned property would require agreements between the owner and FEUS prior to placement.

Commissioner Larsen suggested installing a station at the public library.

Commissioner Duckwitz suggested that chargers purchased with FEUS funds should be placed at municipal locations because private properties are able to install stations through their own means.

Chair Spence questioned why FEUS wants to move forward with purchasing stations and commented that perhaps other entities should be encouraged to buy and install these stations.

Mr. Adair said Farmington retailers have not yet expressed interest in electric vehicle charging station installations. Mr. Adair said that Charge Point, a charging station vendor, has said that it prefers to work with private entities. He said Tesla owns a charging station, a super charging unit with 4 ports located at the Town Place Suites near the mall, and the Casa Blanca Inn has a Tesla charging station.

Commissioner Johnson has observed 2 to 3 vehicles per day use the Tesla charging station for 6 to 8 hours per day at the Town Place Suites location. He commented the users are typically guests of the hotel. The location of charging stations at the hotel is a benefit to the hotel as the users are guests staying at the hotel and the charging station is an amenity for the hotel. He noted the installation of electric vehicle charging stations could be an added benefit used to attract tourists to Farmington. He noted the location of the Tesla charging stations at the Town Place Suites is an economic benefit to the hotel and other private entities could see that economic benefit if they install stations. Commissioner Johnson said should FEUS purchase charging stations the installation should take place on city property.

Discussion ensued about costs for charging. Mr. Adair reiterated that the bids received for the stations are for a Level 2 Charging station which allows for faster charging capability. The maximum charge rate of a Level 2 charger is 25 RPH (miles per range hour).

Mr. Adair noted that regionally charging is based on a per hour use and rates range from \$0.00 - \$1.50.

Commissioner Hunter shared with the commission that he is not in favor of subsidization but he recognizes that electric vehicles are coming so he said he feels it is a good idea to place an electric vehicle in the utility fleet. He is not sure there is an economic advantage for the city to get into the charging station business. He suggested approaching retailers to install stations. Commissioner Hunter said that at the end of the day he feels the city will not recover the cost for these charging stations.

Commissioner Hunter asked about the plan to recover the purchase and installation cost in the five years. Mr. Adair noted that the speculative cost recovery used a calculation of four (4) vehicles per day per station at 8 hours of usage per station for five years. He stressed these figures are speculative.

Vice-Chair Parkes asked Mr. Cliff Horace, who was in attendance at the meeting, to share information about what he thinks the commission might find informative regarding the electric vehicle industry.

Mr. Horace said his experience as a local auto dealer has shown that electric vehicles have not sold well in Farmington for a variety of reasons ranging from range anxiety to price. For example, a person cannot drive to Albuquerque on a single charge. He said the same model of vehicle is cheaper with an internal combustion engine (ICE). Mr. Horace said he bought three electric vehicles and could not sell one of them. Mr. Horace noted there are a many electric vehicles coming and said that within seven years there will be 70 different electric vehicle styles.

Regarding charging station fees Mr. Horace said that some charging station providers charge by the minute plus a base fee. He noted he felt it important to have more than one parking space per station. Mr. Adair said the proposal is for dual port charging stations.

Mr. Adair said that while funding is budgeted for the purchase of five charging stations, and FEUS has received bids for five stations, fewer units could be installed, or no units installed.

Commissioner Hunter said he is in favor of the MOC internal location site. He suggests one public site. He does not feel the need to install five stations right away. Commissioner Hunter wants to put in a full court press using media to entice retail sites to install electric vehicle charging stations.

Chair Spence asked the commission if it is prepared to move with the action item to recommend moving forward with this project or ask for additional information about topic.

Commissioner Larsen suggested moving forward with purchasing five units. He suggested placing one unit at the MOC internal, one unit at the library, one unit at Berg Park, and two units at the museum. He suggested charging per the minute to discourage people from sitting there for hours.

Vice-Chair Parkes said it would be valuable to have answers to some of the philosophical questions before making a recommendation to city council; does the city want to break even, recover half the costs, what is the big plan?

Mr. Adair reiterated that the figures in the presentation were determined by using the assumption that if four (4) vehicles charged per day per station at a rate of \$1.25 per hour, the utility would see cost recovery in five years.

Commissioner Dinning commented that it could be quite difficult to obtain financial numbers before making a decision.

Commissioner Duckwitz made the motion to move forward with the project using the budgeted funds. Commissioner Dinning seconded the motion.

Chair Spence asked for a show of hands in voting.

Those in favor: Commissioner Uhl, Commissioner Dinning, Chair Spence, Commissioner Larsen, and Commissioner Duckwitz.

Those opposed: Commissioner Johnson, Vice-Chair Parkes, and Commissioner Hunter.

The motion passed.

Chair Spence requested staff place this project on the agenda for future commission meetings so commissioners can receive answers to questions regarding costs and rates and final installation locations.

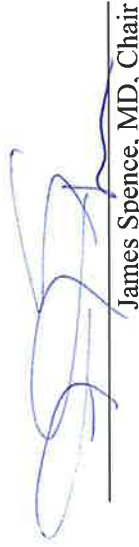
BUSINESS FROM THE FLOOR

None.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting adjourned at 4:40 pm.

Approved this 10th day of July, 2019.



James Spence, MD, Chair