New Mexico’s Energy Transition Act

Implementation of NM’s Landmark ETA

Erin Taylor, Energy Conservation & Management Division
What is the ETA?

- Energy Transition Act (ETA) passed in 2019
- Sets strong clean energy targets
- Major components:
  - Securitization
  - Replacement Power
  - Apprenticeships
  - Community Funds
### ETA Renewable Portfolio Standards

<table>
<thead>
<tr>
<th>IOUs:</th>
<th>Rural Electric Coops:</th>
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<td>• 80% renewable energy by 2040</td>
<td>• 100% zero carbon resources by 2050</td>
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<tr>
<td>• 100% zero carbon resources by 2045 as long as safety, reliability and impacts to customer bills are considered.</td>
<td>• Resources composed of at least 80% renewable energy, as long as it is technically feasible, the system is reliable and is not unaffordable.</td>
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<td>• PNM has already stated publicly that it will meet the zero carbon requirement by 2040.</td>
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Status of Coal Fired Electric Generating Stations

- **Escalante Generating Station**
  - Not under the Public Regulation Commission (PRC) purview
  - Owned by Tri-State, 253 MW capacity
  - Closed by end of 2020
  - Not eligible for securitization
  - Tri-State set aside $5 million for economic development in the region

- **San Juan Generating Station**
  - PNM exit in 2022
  - 562 MW generating capacity for PNM
  - In August, the PRC approved 650 MW of solar resources and 300 MW of battery storage to replace retiring units

- **Four Corners Generating Station**
  - 200 MW generating capacity for PNM
  - PNM has purchasing contracts through 2031
  - Proposed plan for PNM to divest by December 2024
Implementing the ETA

• **Energy Transition Act Committee**

  • ETA designated $20 million going to communities affected
    • Department of Workforce Development ($12 million)
    • Indian Affairs Department ($2 million)
    • Economic Development Department ($6 million)

  • Committee meetings with communities to understand activities within these communities

  • Each department asked for proposals to stimulate economic activity in the region with a focus on:
    • Collaboration
    • Tangible, long term job creation

  • December 17th – meeting to go through proposals
Wind Developments:

- Wind turbine facility in La Joya, New Mexico
  - 306 MW of power bought by PNM
- Sagamore wind facility – the largest wind project in New Mexico

Regulatory Developments:

- PRC approves plan to for renewables and storage to replace the portion of the San Juan Generating Station capacity
- PRC approves 2 solar and storage projects which will total 250 MW of energy

Rural Electric Coop Developments:

- Kit Carson Electric Coop brought 3 MW of new solar online
Early Results of the ETA

PERCENTAGE OF UTILITY-SCALE GENERATION BY FUEL

Executive Order on Addressing Climate Change and Waste Prevention

- Objective: to reduce statewide greenhouse gas emissions by at least 45% by 2030 (compared to 2005 levels)
- Created the Climate Change Taskforce
- New Mexico Climate Strategy Report

House Bill 233 Energy Grid Modernization Roadmap

- 2020 legislation that charged EMNRD to develop a guide for electric service providers, policy makers and consumers in how to reach the ETA goals
- Will produce a series of technical and policy whitepapers
Thank you!

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