

A landscape photograph of a field with mountains under a dramatic, cloudy sky at sunset or sunrise. The sky is filled with large, dark clouds, some of which are illuminated from below, creating a warm, orange and red glow. The mountains in the background are also bathed in this light, appearing in shades of red and orange. The foreground is a field of low-lying, green and yellow vegetation.

# **Legislative Paths For a Clean Energy Future in New Mexico**

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# Elements of a Transition to a Clean Energy Economy

## ACCELERATION BY LEGISLATION

- Renewable Portfolio Standards
- Energy Efficiency Standards
- Clean Air and Water Standards
- New Regulatory Models

Securitization

## MITIGATING IMPACTS – or “Just Transition”

- Diversification & Expansion of Economy
- Support for Impacted Communities
- Support and Inclusion of Low Income Households



## Are New Regulatory Models Required?

- Rewards utilities only when they invest in and own electric infrastructure.
- Discourages or prohibits third party ownership of electric infrastructure (e.g. community solar).
- Creates stranded costs which represent a massive wealth transfer from future generations to the current generation.
- Motivates utilities to resist change to the *status quo*.
- Ties the hands of regulatory commissions in trying to meet new challenges
- Creates a game of “cat and mouse” between the utilities and their regulators, in which regulators are always trying to play catch-up



## Just Transition

- *Job losses are not an automatic consequence of climate policies, but the consequence of a lack of investment, social policies and anticipation<sup>1</sup>.*
- Most workers in impacted communities need new jobs where they live because of home ownership, aging parents, children, and poverty.
- What is the role of government vis-à-vis corporations and the impacted communities?
- Without planning and sustained effort by government, corporations and the impacted communities, de-industrialization can/will decimate impacted communities.
- The lessons of Pittsburgh and Detroit.

<sup>1</sup> A. Rosenberg, International Journal of Labor, 2010



# An Assessment of New Mexico's Energy Potential

## Of 51 States/District

Total Energy Production <sup>1</sup>	#8 of 51
Average Electricity Price <sup>1</sup>	#33 of 51
Electricity Consumptions per capita <sup>1</sup>	#40 of 51
Total CO <sub>2</sub> Emissions <sup>1</sup>	#32 of 51
Total CO <sub>2</sub> Emissions per capita <sup>1</sup>	#13 of 51

## Of 11 Western States

Total RE Production in the west <sup>1</sup>	#7 of 11
Total RE Production in the west per capita <sup>1</sup>	#3 of 11
Total UPV <i>Technical</i> Potential in the West <sup>2</sup>	#1 of 11
Total Wind <i>Technical</i> Potential in the West <sup>2</sup>	#2 of 11
Total UPV <i>Economic</i> Potential in the West <sup>2</sup>	#2 of 11
Total Wind <i>Economic</i> Potential in the West <sup>2</sup>	#3 of 11

<sup>1</sup> US Energy Information Agency 2017

<sup>2</sup> National Renewable Energy Laboratory 2016



# An Assessment of New Mexico's Energy Potential

New Mexico's Total Electric Consumption in 2017 was 23 terawatt-hours<sup>1</sup>

New Mexico's economic wind and UPV potential production is 3717 terawatt-hours (per year)<sup>2</sup>

New Mexico's RE economic potential production is  
***more than 160 times***  
the state's total electricity consumption.

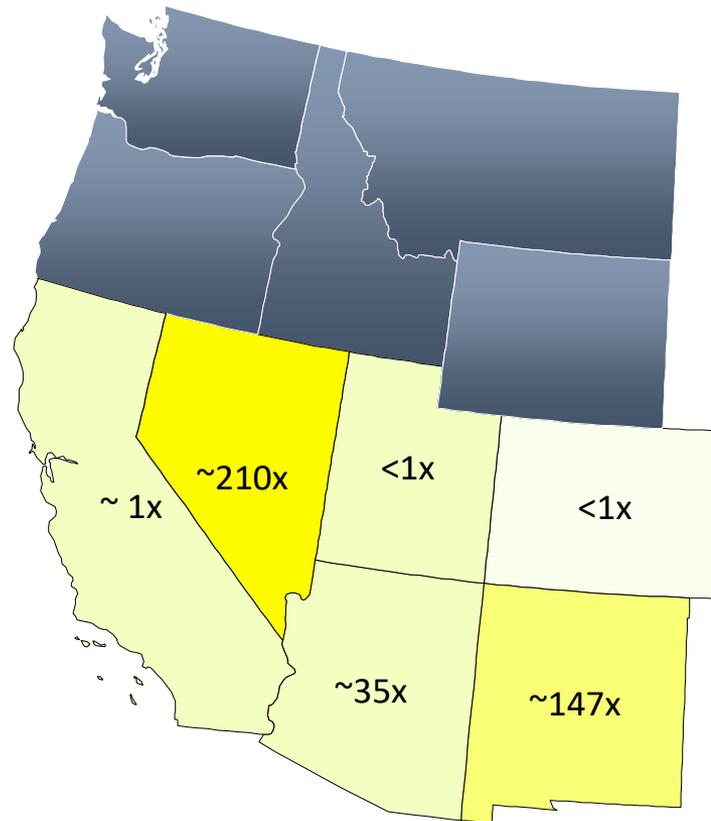
If we increase the RPS goal to 100%  
we will be using ***less than 1%*** of the state's total RE potential production

1 US Energy Information Agency 2017

2 National Renewable Energy Laboratory 2016

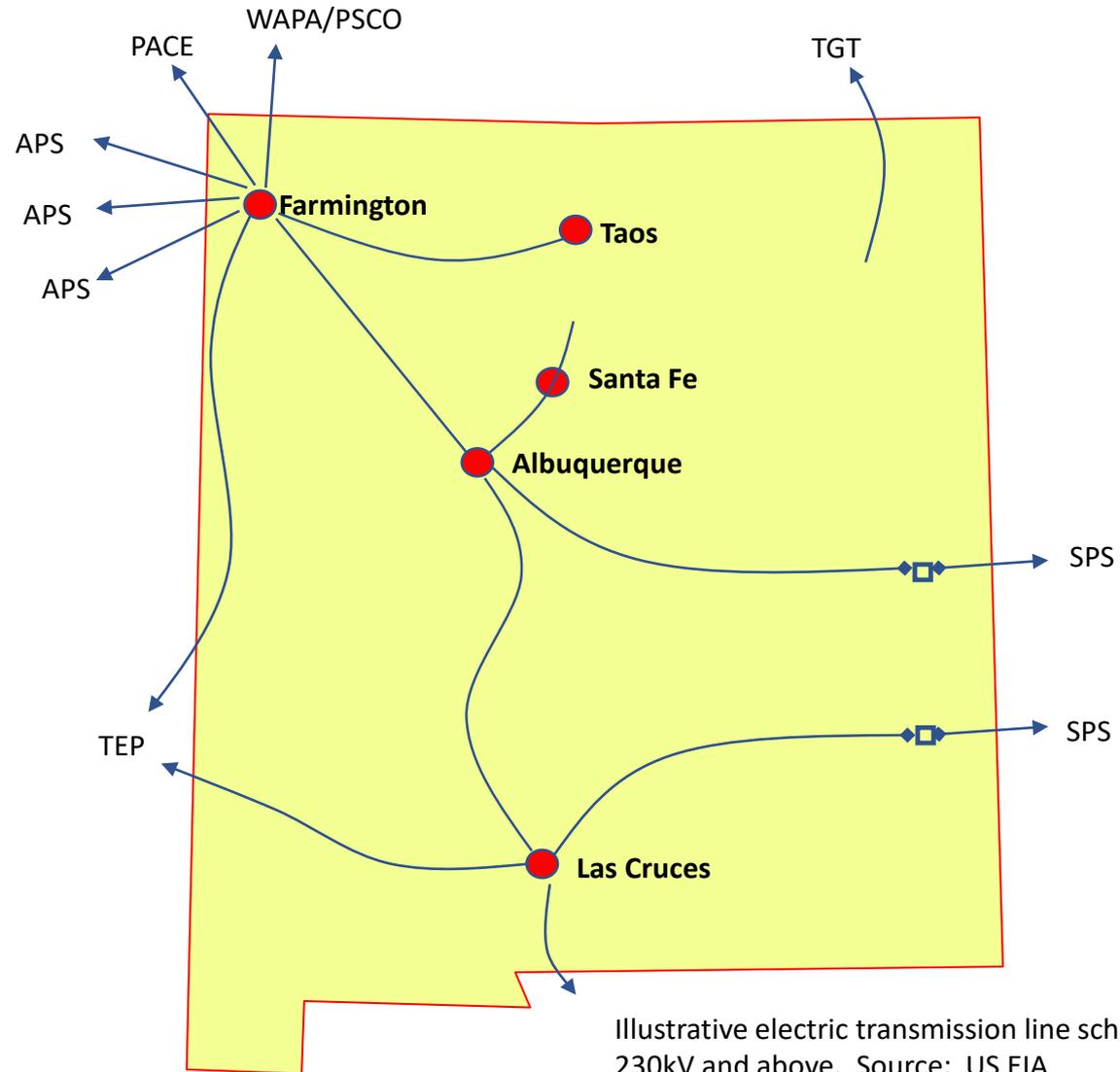


# Economic Solar Resources / Total Electric Consumption





# “Re-industrializing” via New Mexico’s Renewable Resources





# Legislative Tools Securitization

## *What is it?*

A financial tool that allows utilities to recover the costs associated with closure of a power plant at a reduced interest rate (comparable to state general obligations bond).

## *How does it work?*

The state must pass legislation authorizing the utility commission to approve an accounting order for the utility costs to be securitized, making the securitization *irrevocable* and *non-bypassable*.

## *What are the savings?*

Depending upon the terms of the issuance, it can save 30%-50% of the interest payments on the amount to be financed. This can mean more hundreds of millions of dollars saved on a large bond.

## *How does this help a “Just Transition”?*

The bond can include costs such as job-retraining, early-retirement, economic development for the impacted communities making these costs more affordable.



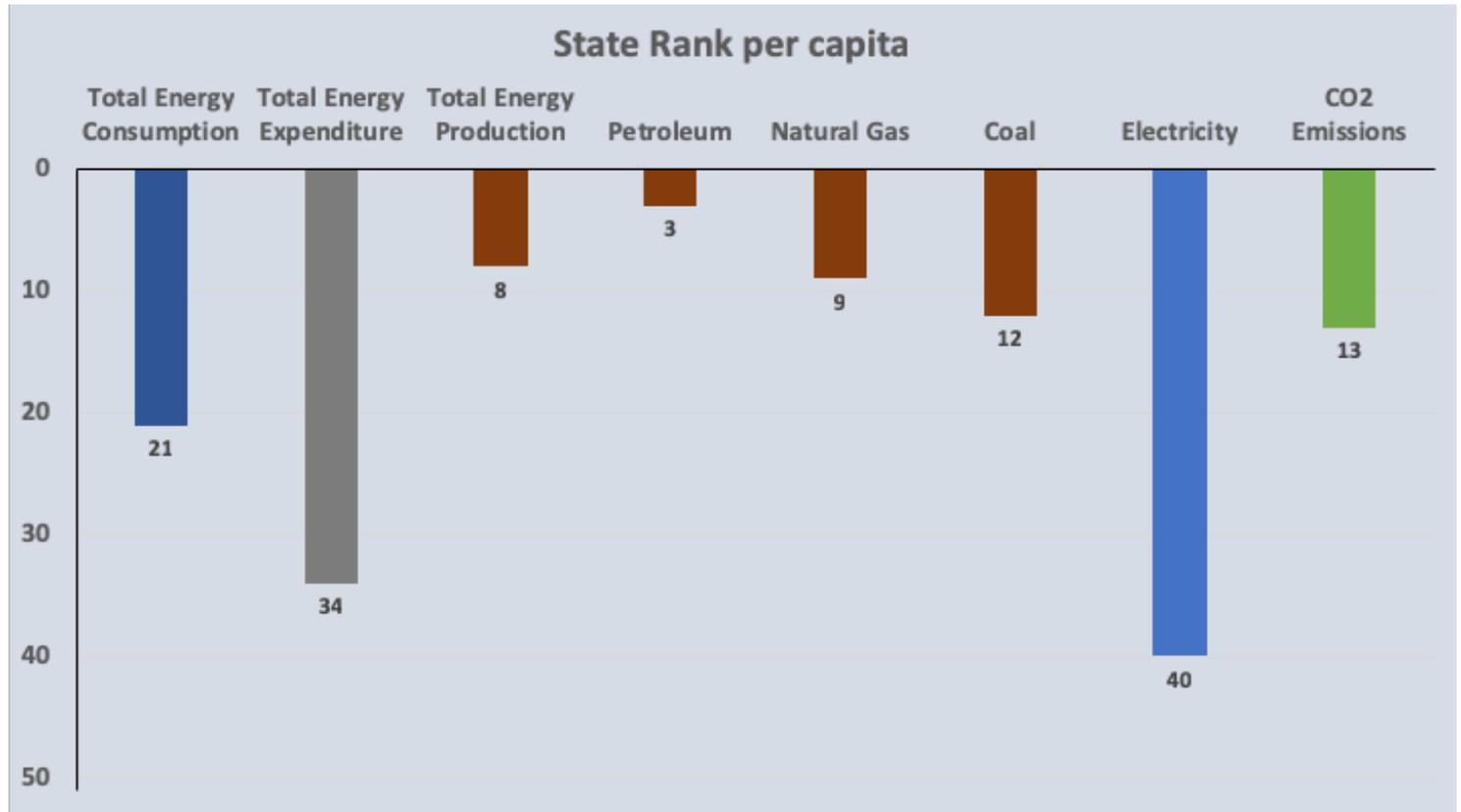
# Discussion & Questions



# Additional Data

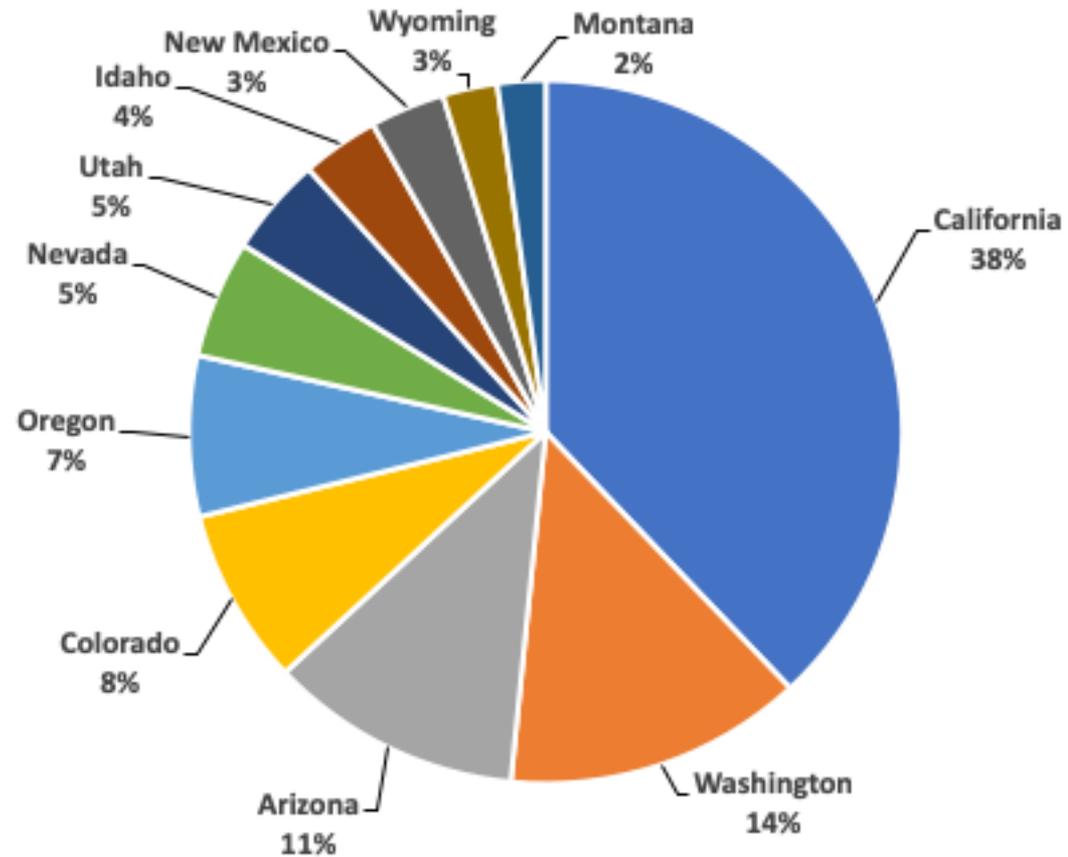


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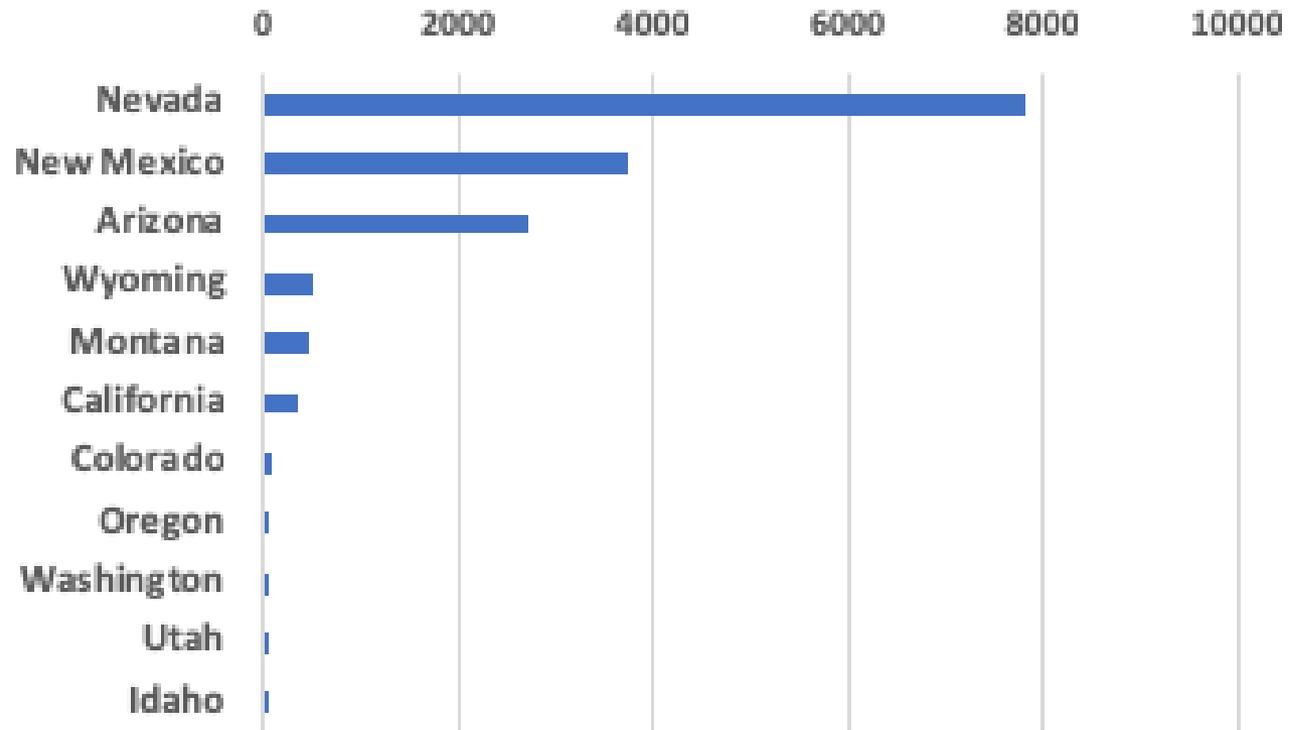
Source: US Energy Information Agency 2017

# Electricity Consumption in the West



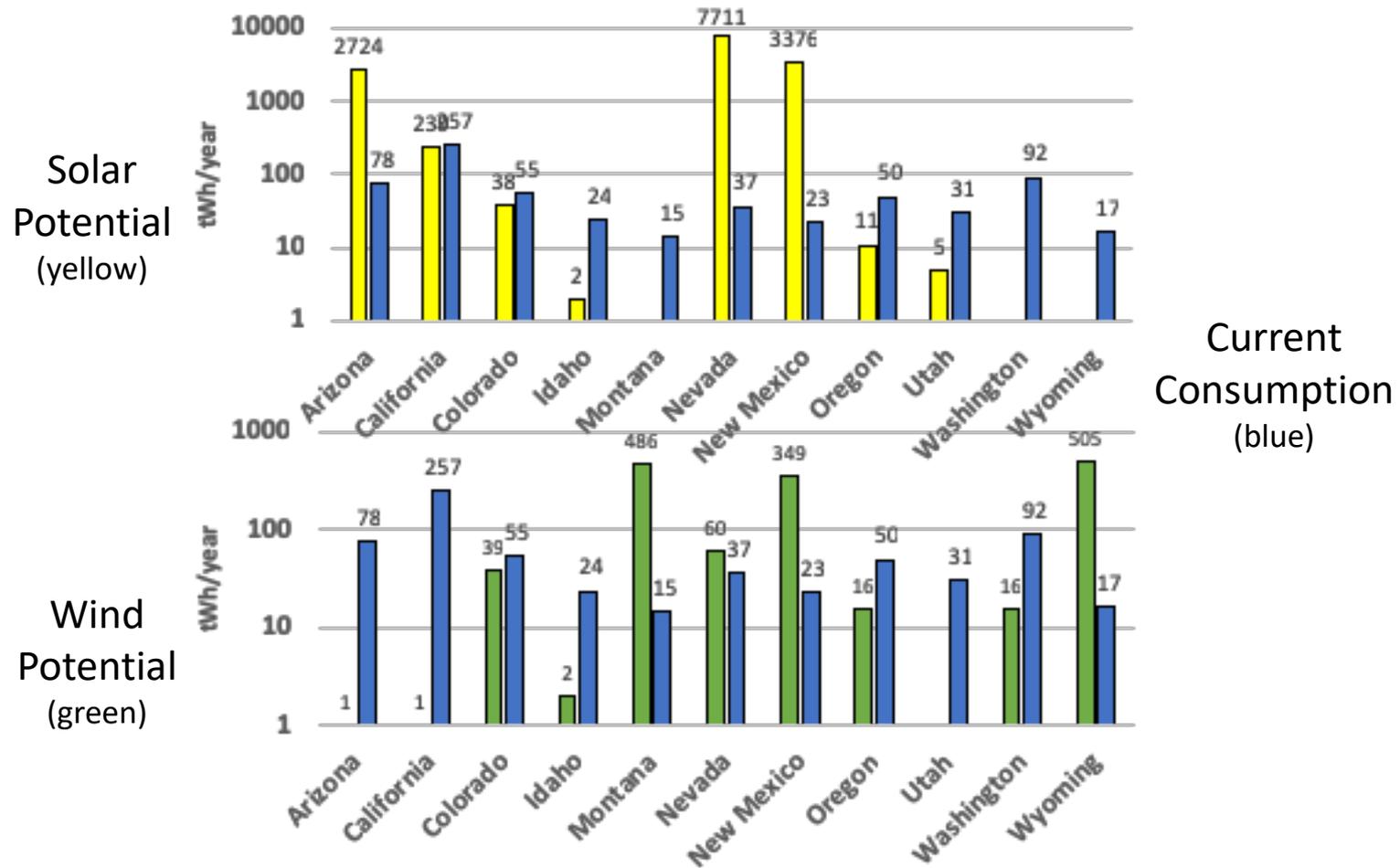


# Total Economic Renewable Energy Potential in the West





## Solar and Wind Potential in the West



New Mexico's wind and solar economic potential is almost 200 times its annual electricity consumption.