Clean Energy Transmission Summit

JEFF MECHENBIER APRIL 1, 2015













WE ARE RIGHT IN THE MIDDLE OF EVERYTHING!



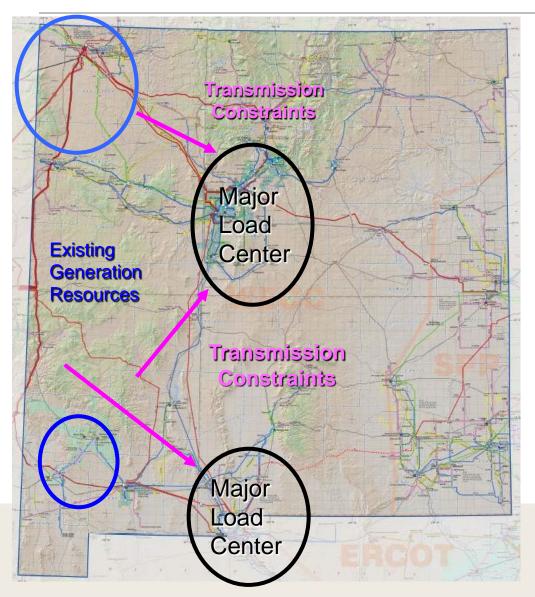




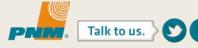




TRANSMISSION REQUIREMENTS SERVING LOAD



- Transmission system to import into major load centers in Central NM and El Paso are constrained
- Difficulty with building transmission leads to tradeoffs
 - Transmission Vs.
 generation resources
 near load center





Merchant Transmission in NM to deliver large quantities of remote resources to market.

SunZia, 500kV

Lucky 345kV

Southline 345kV

Western Spirit 345kV

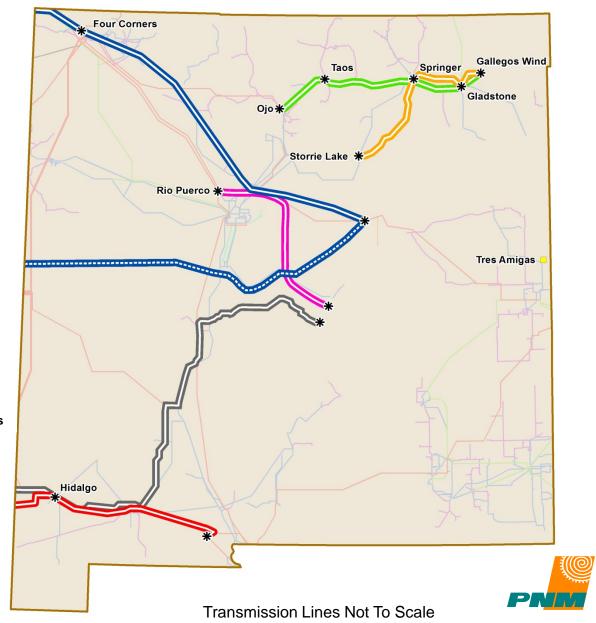
Mora Line 115kV

Centennial West 500 kV DC

Centennial West Alt 500 kV DC

* Existing and Proposed Switching Stations

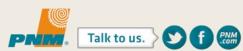
- ~10,000 MW transmission capability
- ~\$6 billion transmission cost
- ~\$20 billion for wind resources





BARRIERS TO DEVELOPMENT OF INTERSTATE TRANSMISSION FOR RENEWABLE GENERATION

- Few PPAs are being signed and projects are very slow to move forward without signed agreements
- No Clear Federal Policy on Renewable Electricity Standards and Siting
- At the state level cost recovery of transmission investment is limited to what benefits state jurisdictional utility customers
- In-State preferences for renewable energy development
- Lead time for transmission is much longer than generation development





HOW BEST TO COLLABORATE?

- State and Federal agencies need to establish clearly defined transmission corridors to minimize ROW and permitting hurdles for renewable energy zones
- Collaboration needs to begin at the federal/state level to address conflicting goals of governments. Federal and state policies need to aim at the same targets
- Transmission is key to economic development, reliability and keeping NM a leader in the clean energy business
- Working together we can overcome the challenges

