

# PNM Future Generation and 2017 Integrated Resource Plan (IRP)

NM INTERIM INDIAN AFFAIRS COMMITTEE MEETING – AUGUST 21, 2017

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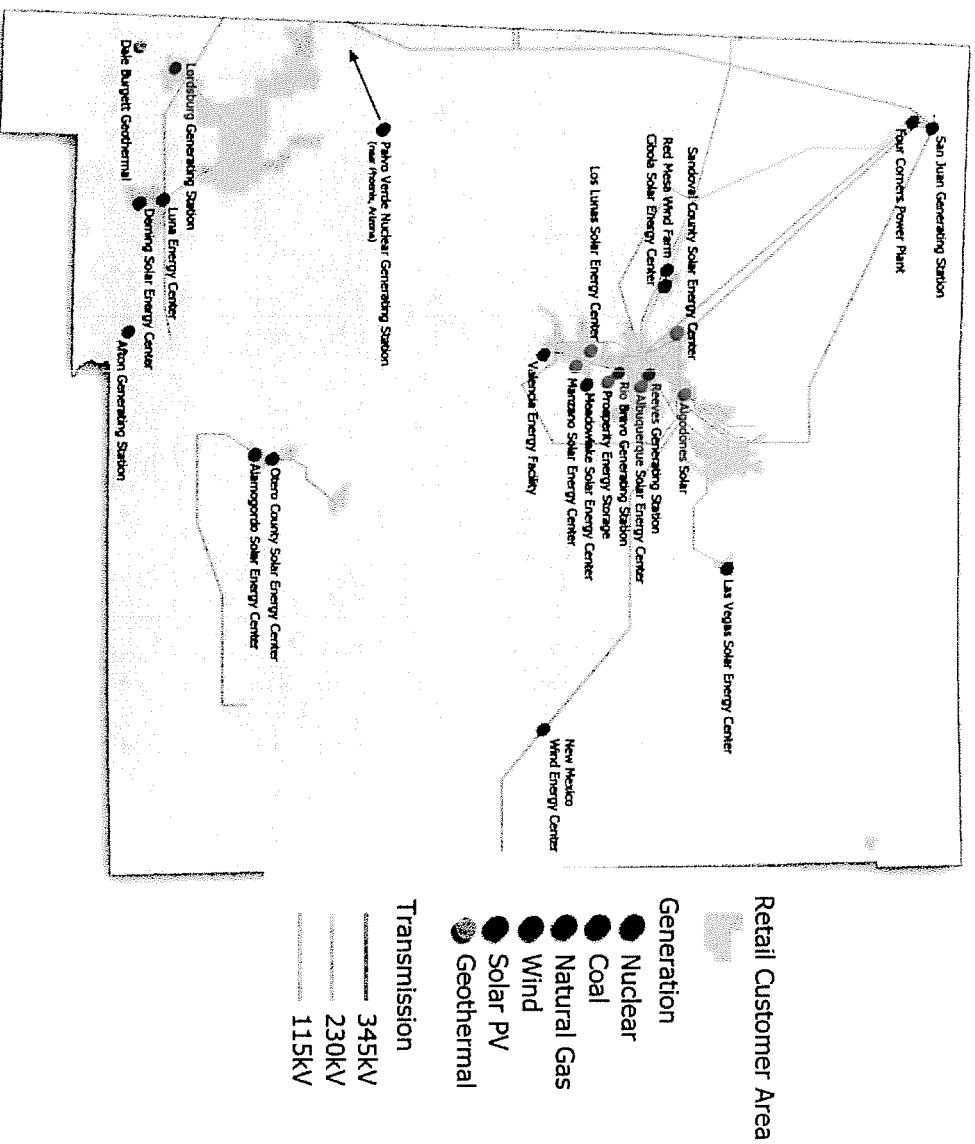
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August 21, 2017

# PROUDLY SERVING NEW MEXICO FOR 100 YEARS

- 520,000 customers in 40 communities
- 15,049 miles of transmission and distribution lines
- 2,791 mW generation capacity
- Only NYSE traded company headquartered in New Mexico
- Cheapest electric bills in the nation



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# 2017 INTEGRATED RESOURCE PLAN OVERVIEW

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## PNM'S 2017-2036 INTEGRATED RESOURCE PLAN

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Must file the most cost effective energy portfolio to supply customer needs with the NMPRC every 3 years

- Measured portfolios for cost, reliability and environmental impact
- Reported a four year action plan and most cost effective portfolio for the next 20 years
- Analyzed multiple load, natural gas price and CO2 regulation scenarios
- File with NM Public Regulation Commission for review & acceptance

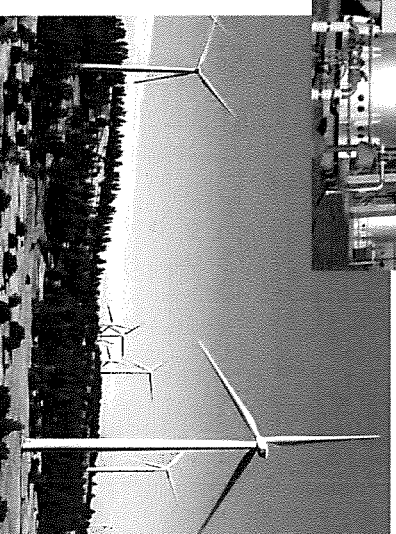
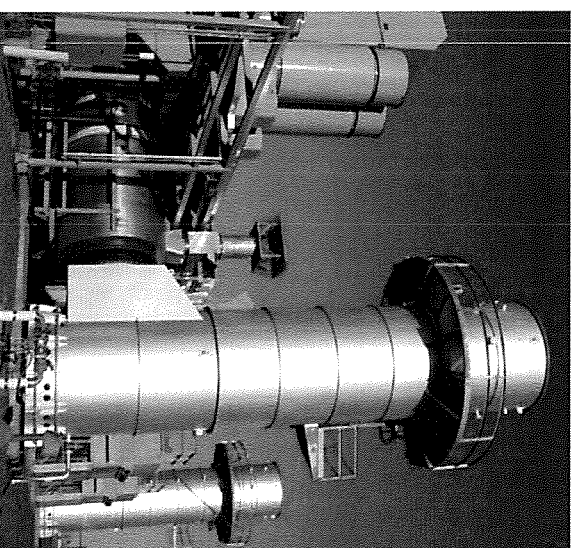
Planning incorporates a public advisory process

- 17 public meetings over the past year
- Albuquerque, Farmington, Silver City, Deming, Alamogordo and Santa Fe



# IRP KEY FINDINGS

- Cost Effective to be Coal-free by 2031
- Transition to a more flexible energy supply
- Increase in Natural Gas Generation due to low gas prices.
- Increase renewable energy
- Must upgrade and invest in new transmission
- Maintain nuclear power
- Reduction in carbon dioxide (CO2) emissions



# SAN JUAN GENERATING STATION

## DESCRIPTION

- San Juan Generating Station is a four unit coal-fired generator located west of Farmington, New Mexico
- Units 2 and 3 will be retired by the end of 2017
- After 2017, PNM, Tucson Electric, the City of Farmington, Los Alamos County and the Utah Association of Municipal Power Systems, and PNM Merchant will co-own Units 1 and 4
- There are operating and fuel supply agreements that run into 2022

Owner	Unit 1	Unit 4
PNM	170 MW	327 MW
Tucson	170 MW	-
PNM Merchant	-	65 MW
Farmington	-	43 MW
Los Alamos	-	37 MW
UAMPS	-	36 MW
	340 MW	507 MW

# NEW MEXICO TRIBES – PNM Tribal Customers

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## 23 FEDERALLY RECOGNIZED TRIBES IN NEW MEXICO

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- Tribes hold almost 20% of the land base within the State
- About 219,200 Native Americans live in New Mexico
- 10.5 % of the State’s population
- Of the 19 Pueblo Tribes
  - PNM provides service to 8 Pueblos - Laguna, Isleta, Sandia, Santa Ana, San Felipe, Santo Domingo, Cochiti and Tesuque
  - Jicarilla Apache Nation – Inner Connect Project
  - Mescalero Apache Tribe – Serve Ski Apache ski area
  - Navajo Nation
  - Zia, Santa Clara, Ohkay Owingeh and San Ildefonso Pueblos

(US CENSUS-2015 population estimates)



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# PNM Infrastructure & Tribal Lands

## UNDERSTANDING AND RESPECTING TRIBAL SOVEREIGNTY

- Our business operations work together with 15 of New Mexico's tribes.
- Major electric infrastructure is located on tribal lands:
  - 26% of PNM's total electric transmission lines cross tribal land
  - 14,763 miles of power lines exist on tribal land
  - 10% of PNM's electric service territory is on tribal land

# Five-Year Commitment – Workforce Training

**PNM COMMITTED \$1 MILLION OVER FIVE YEARS TO TRAIN NAVAJO TRIBAL MEMBERS FOR FUTURE JOB OPPORTUNITIES**

- August 2013 : Announcement of PNM-Navajo Nation Workforce Training Program
- Beginning in 2013: \$200,000 going directly to two partnering higher ed. institutions
  - Navajo Technical University, Crownpoint, New Mexico
  - San Juan College, Farmington New Mexico

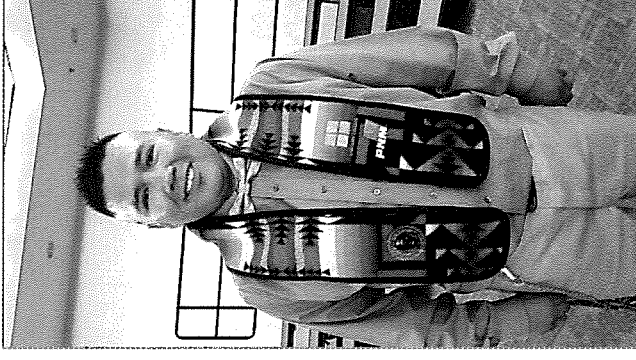
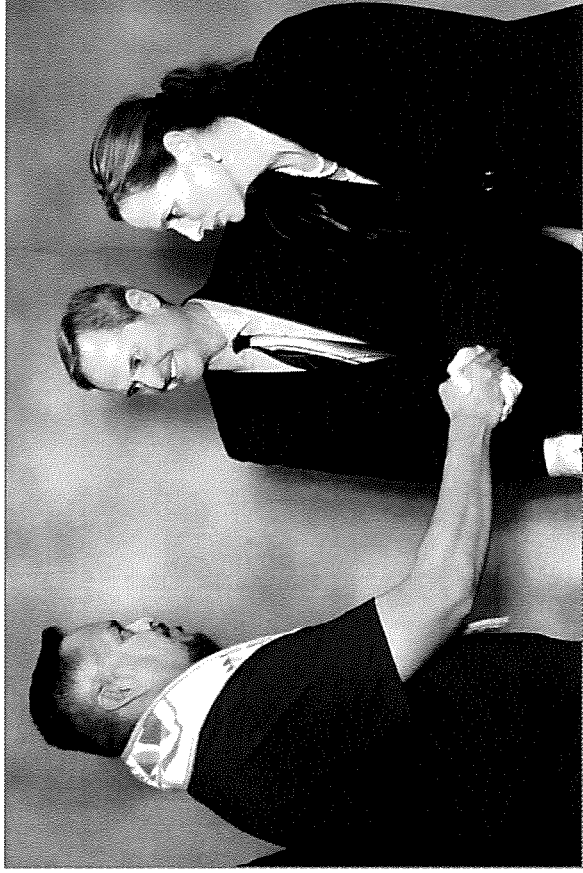




# PNM NAVAJO NATION WORKFORCE TRAINING - UPDATE

## STUDENT PARTICIPATION

To date, approximately 512 students have received educational scholarships, and approximately 231 scholarship recipients have earned a trade certificate, an Associate's or Bachelor of Arts degree.



# PNM NAVAJO NATION WORKFORCE TRAINING - UPDATE

## STUDENT PARTICIPATION – AWARDED SCHOLARSHIPS

### Navajo Technical University

210 Students Awarded Scholarships

58 Graduates Total

- 13 Bachelor Degrees
- 19 Associate Degrees
- 26 Certifications



### San Juan College

236 Students Awarded Scholarships

➤ 92 Associate Degrees

➤ 81 Certifications



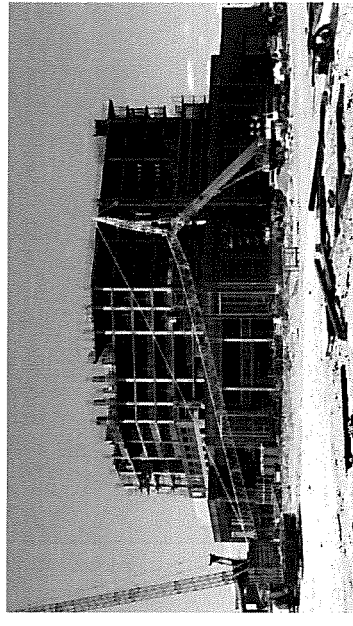
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# TRIBAL & COMMUNITY ENGAGEMENT

## OTHER NOTABLE ACTIVITY

- Creation/Hiring of Tribal Accounts Manager
- Service Line Agreements Processed
  - 80 - FY2015; 110 – FY2016
- Tribal Customer Infrastructure Development
  - Santa Ana Pueblo - Hotel and Strip Mall
  - Indian Pueblos Marketing – 12<sup>th</sup> St. development
  - Laguna Rt. 66 Casino - RV Park/Resort
- Isleta Pueblo - Infrastructure Enhancement for Facebook and Future Data Center Facilities
- Successful ROW negotiations with area tribes.
- 23<sup>rd</sup> Annual PNM Solar Car Races



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