

Impacts

San Juan Generating Station & San Juan Mine

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A Little Background

- San Juan County diversification efforts
 - 2015 – Real People Real Jobs Campaign
 - In light of 2017 IRP announcement – new economic landscape
 - Full environmental compliance: exceeds Clean Air standards
 - Near term future economic impacts
 - From that point forward
 - From a partially operating configuration
 - Escalate diversification efforts
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In More Detail

- Dual Track Approach in Determination
 - Independent Third Party Economic Impact Studies
 - Utilized Economic Modeling Specialists, Inc. (EMSI) out of Idaho
 - Outcomes are based upon data supported by:
 - Bureau of Economic Analysis
 - Arizona Department of Administration
 - Colorado Department of Labor and Employment
 - New Mexico Department of Labor, Bureau of Economic Research & Analysis
 - Utah Department of Workforce Services
 - Gather Primary Source Data and reflect losses without multipliers
 - PNM
 - Westmoreland
 - San Juan County Assessor
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EMSI Initial Report

- As of May, 2017
 - Covered a six-county area in New Mexico, Colorado, Arizona & Utah
 - 3% of SJGS employees
 - 8% of San Juan Mine employees
 - Reflected all four units in operation at SJGS
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Results

Annual Loss in Earnings

\$117,212,964

Total Jobs Lost

1,586 jobs

Decrease in taxes annually

\$ 53,051,723

Lost New Mexico taxes each year

\$ 20.8 million

Lost taxes annually locally

\$ 24 million

Primary Source Data

- No multiplier effect
 - Excluded possible future effects on the local housing market
 - PNM & Westmoreland provided actual non-attributable employee detail
 - Headcount
 - Salaries
 - Demographics by zip code
 - Average age data
 - Participation rate for employer sponsored healthcare
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Primary Source Data (continued)

- Actual royalty and tax information
 - Vendor spending by zip code for recent twelve month period
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Results

Average Salary \$86,000/year

Average Age 47 years old

Years of Service 14 years

Navajo Workforce 40%

Employer Sponsored Healthcare 96%

Lost Wages \$56.6 Million per year

Lost Benefits \$20 Million annually



Effects 1,600+ San Juan County residents

Results (continued)

- Direct Suppliers
 - \$31.7 Million
 - Scholarships
 - \$115,000 annually to San Juan College Students
 - Workforce Development Training
 - \$300,000 per year
 - United Way
 - \$150,000 average annual employee/employer giving
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Schools

- Central Consolidated School District
 - \$3.6 Million in property taxes (1 medium-sized school, 39 teachers or 90 non-certified)
 - Up to \$1.5 Million in Student Funding
 - 91% Native American Students
 - 72% Students Financially Disadvantaged
 - San Juan College
 - \$2 Million in property taxes
 - Farmington Municipal Schools
 - Up to \$1.7 Million in Student Funding
 - Aztec Schools
 - Up to \$165,000 in Student Funding
 - Bloomfield Schools
 - Up to \$77,000 in Student Funding
 - 100% Financially Disadvantaged
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Miscellaneous Tax Impacts

- San Juan County Government
 - 10% of Total Property Taxes
 - \$3.8 Million per year Lost
 - Affects all departments and vital services
 - \$1.9 Million SJC and Mine Employee State Income Taxes
 - San Juan Mine
 - \$6.5 Million in Severance, Conservation, Gross Proceeds, Resource Excise Tax
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Updated EMSI Impact Study

Annual Loss in Earnings

\$105,077,209

Total Jobs Lost

1,457 jobs

Decrease in taxes annually

\$ 49,866,589

Lost New Mexico taxes each year

\$ 19.9 million

Questions