

Long Term Power Generation and Economic Development in San Juan County

Legislative Finance Committee

Ju  23

COUNTY
NEW MEXICO
SINCE 1887

Economic Landscape has changed dramatically

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arizona Public Service Co.	\$ 412,107,664	1	11.7%	\$ 198,118,272	5	4.9%
Public Service Co. of New Mexico	157,873,676	2	4.5%	620,659,537	1	15.3%
Harvest Four Corners LLC	68,058,281	3	1.9%			
Enterprise Field Service LLC	49,202,834	4	1.4%	233,351,330	4	5.7%
Whiptail Midstream LLC	35,631,881	5	1.0%			
El Paso Natural Gas Co	35,348,798	6	1.0%	118,484,355	9	2.9%
Farmington, City of	32,402,120	7	0.9%			
Salt River Project AG IMP and Power Dist	30,686,393	8	0.9%			
Tucson Electric Power Co	26,778,000	9	0.8%	169,759,017	6	4.2%
Hilcorp San Juan LP	26,092,496	10	0.7%			
BHP Navajo Coal Co				250,009,162	2	6.2%
Williams Four Corners LLC				234,743,249	3	5.8%
Southern California Edison Co				145,917,251	7	3.6%
San Juan Coal Co				128,239,455	8	3.2%
SCPPA				90,260,212	10	2.2%
Totals	\$ 874,182,143		24.8%	\$ 2,189,541,840		54.0%

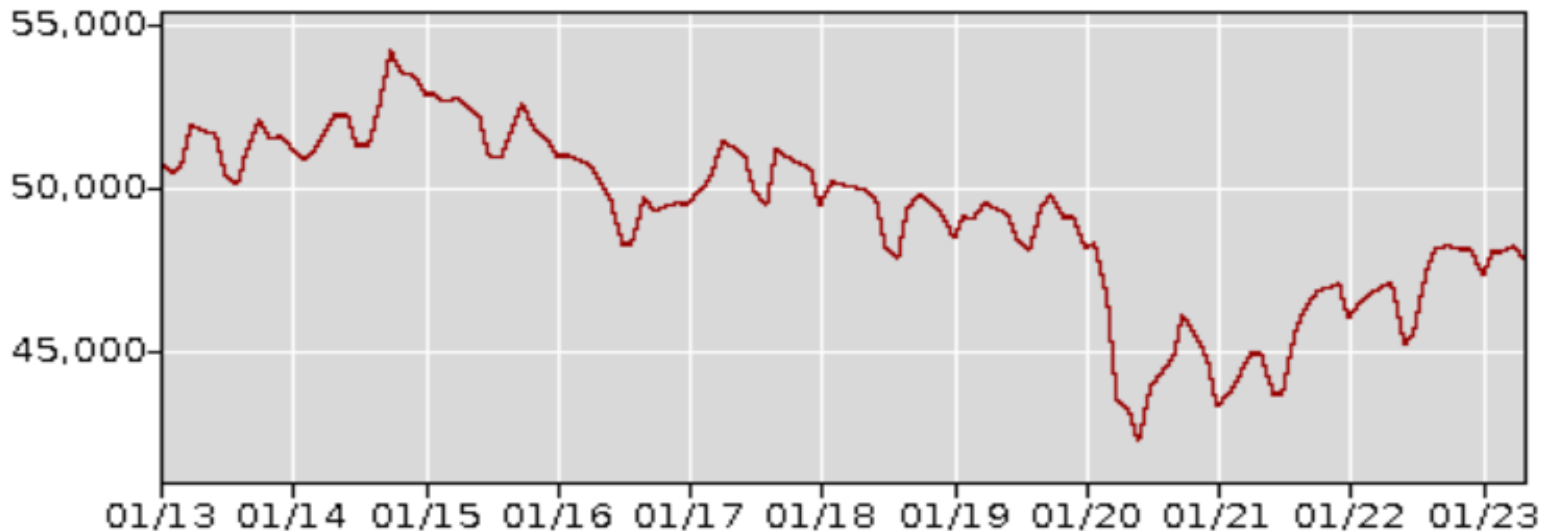
Source: San Juan County Assessor's Office

Population and Employment have trended downward

2010 Population- 130,044

2020 Population- 121,661 (6.45% decline)

employment

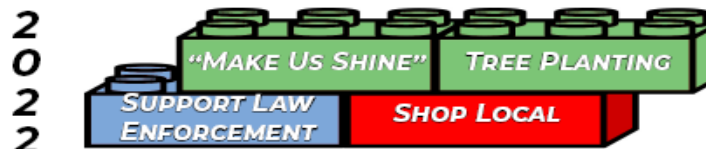


11.8% drop in employment from Oct 2014 employment

BUILDING BLOCKS FOR A STRONGER COMMUNITY

STRATEGIC INITIATIVES

County Commission Priorities



ECONOMY

PLACE

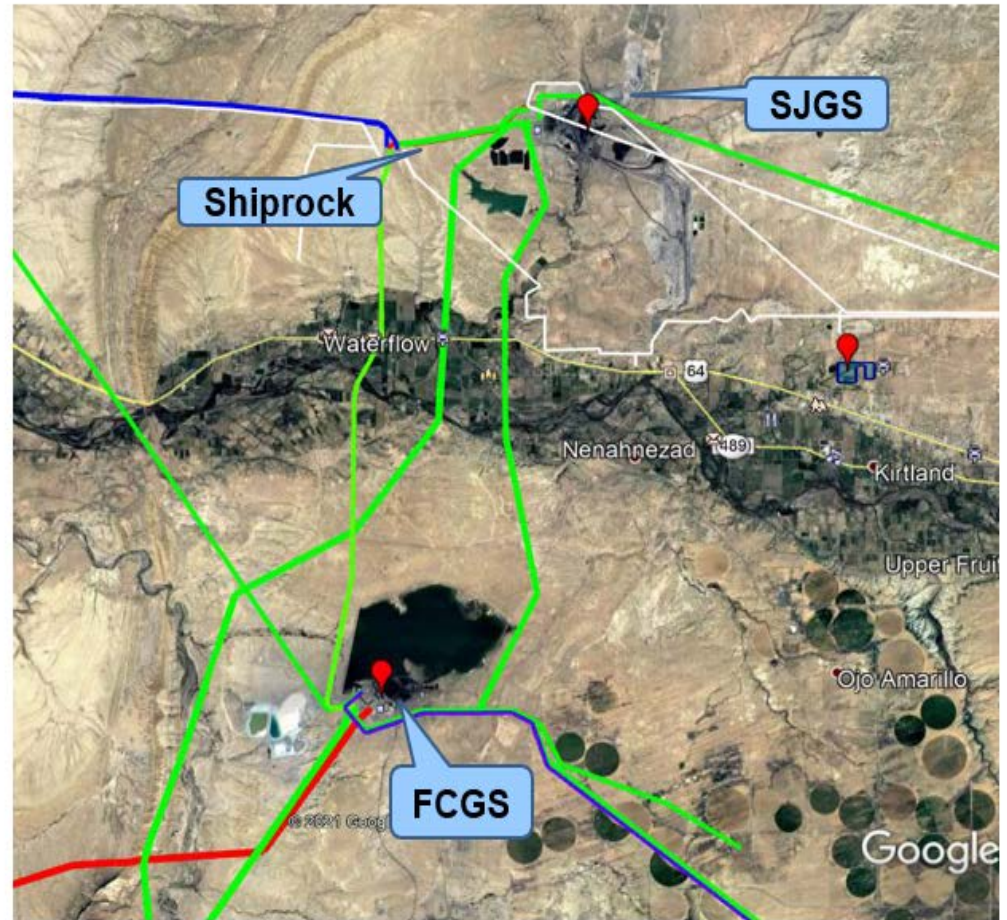
PEOPLE

RELATIONS

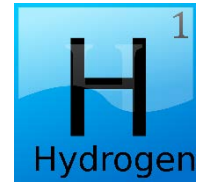
Clean Energy Projects in San Juan County

- Consistent interest in the area with San Juan Generating Station closing due to existing transmission & water assets
- 6 Large scale projects proposed to the County Commission
 - Solar
 - Pumped Storage Hydro
 - Wind transmission
- Just 1 starting construction
 - DE Shaw 300 MW
 - \$500+ million
 - 4 permanent jobs

Transmission lines: 500kv — 345kv — 230kv — 115kv —



WISHH and San Juan County



- Western Interstate Hydrogen (WISSH) and San Juan County
 - Eight projects, four states, five projects in NM and three of the five in SJ County
 - \$1.25 billion grant request
- H₂ represents a substantial clean energy strategy pivot for San Juan County, opens new fronts in solar and builds on legacy of low-cost clean natural gas industry.
- Hydrogen Manufacturing already here- PESCO and BayoTech
- Hydrogen Workforce Training- San Juan College and BayoTech
- San Juan County appreciates the strong support of WISHH from the New Mexico Departments of Environment, Energy and Economic Development.

WISHH and Clean H2 Energy Production in San Juan County

Libertad Power

Focus is on heavy haul transportation, energy storage and power generation. Clean H2 produced via electrolysis.

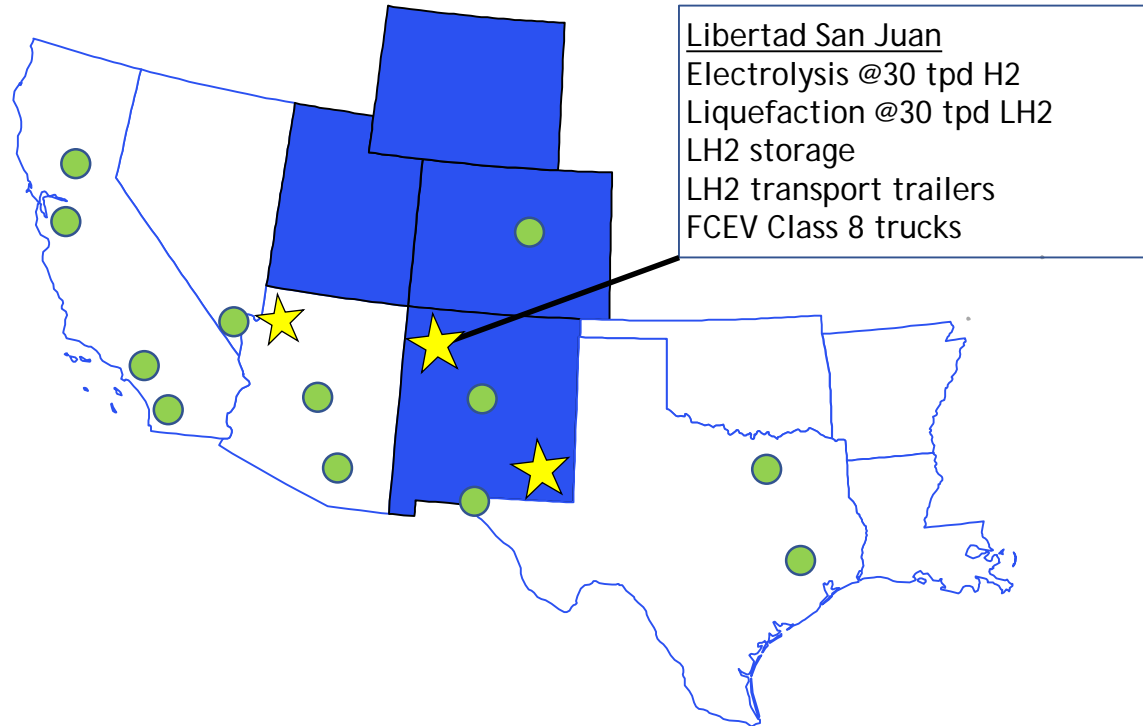


Focus is on building a green hydrogen ammonia plant to service regional needs for fertilizer, power and other industrial needs.



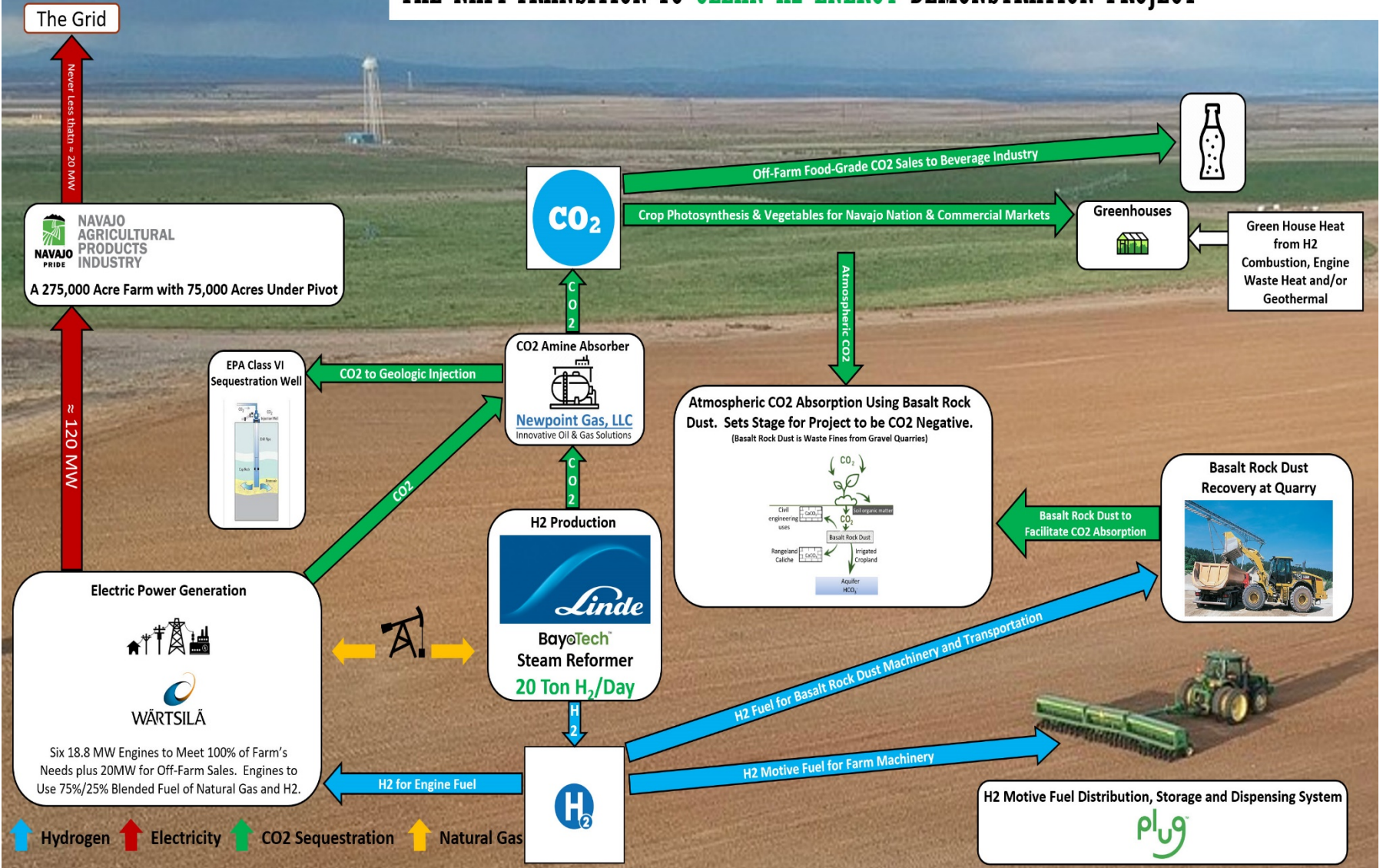
Focus is on electric energy self sufficiency to mitigate dramatically rising power costs and to replace diesel-powered ag equipment with H2 fuel cell power equipment. Developed with 4 Corners Economic Development. National scale ag demonstration project.

Libertad Power - WISHH Scope



- Existing fuel logistics facility
- ★ Planned H2 production facility

THE NAPI TRANSITION TO CLEAN H2 ENERGY DEMONSTRATION PROJECT



Other Hydrogen opportunities

Freight Rail powered by hydrogen

- Have no commercial transportation in the four corners area.
- One of the largest Metropolitan Statistical Area (MSA) nationwide with no freight rail line.
- The only MSA in the state without freight rail line, interstate and commercial air.

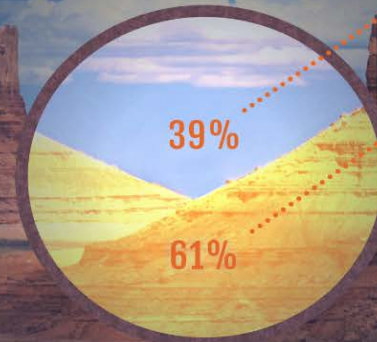


Time is of the Essence

ECONOMIC CONTRIBUTION TO THE NAVAJO NATION

NTEC has continued to grow its total economic and financial contribution to the Navajo Nation. As detailed below, NTEC's total economic contribution to the Navajo Nation in 2021 exceeded \$124 million. This annual contribution is comprised of the taxes and royalties paid by NTEC and the Navajo Mine as well as the overall payroll to employees on the Nation, contracts with qualified Navajo contractors, and charitable contributions.

NAVAJO NATION GENERAL FUND



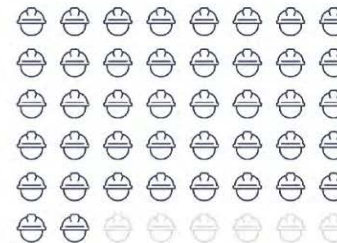
NTEC & FCPP: \$62,212,000

OTHER: \$96,051,000

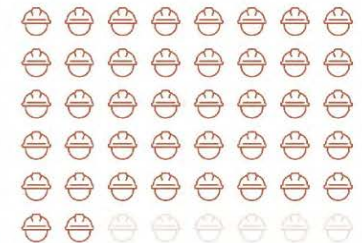
The Navajo Mine and Four Corners Power Plant contributed more than \$62 million this year to the Navajo Nation General Fund, comprising nearly 40 percent of the Fund's \$158 million budget.

SUPPORT	TOTAL NTEC AMOUNT*	NAVAJO MINE	FOUR CORNERS POWER PLANT
Taxes & Royalties	\$49,181,000	\$48,200,000	\$14,012,000
Employment Wages	\$58,445,000	\$55,444,000	\$42,871,000
Navajo Vendors	\$8,019,000	\$5,124,000	\$41,354,000
Navajo Sales Tax	\$4,721,000		
Helium Taxes & Royalties	\$1,000,000		
Community Benefit Fund	\$250,000		
Scholarships, Education & Other Community Giving	\$192,000		
CHRP	\$2,500,000		
TOTAL	\$124,308,000		

NATION MEMBER EMPLOYEES BY SITE



318 OF 370



230 OF 268

A combined 86% of employees at Navajo Mine (left) and Four Corners Power Plant (right) are members of the Navajo Nation.

*Total NTEC amount includes value of NTEC's seven-percent ownership of FCPP.

Energy Transition Assistance

- Displaced Worker Assistance Fund- 350 payments (Thank you!)
- \$20 million in Energy Transition Act fund awaiting infusion for economic development, workforce training and job creation
- Recurring funding for local economic development organization- Four Corners Economic Development Inc.
 - Best practiced economic development organizations are funded in area of \$9 to \$10 per capita.
 - Currently operating at 1/3 of the resources necessary based on current population of 121,663

THANK YOU!

SAN JUAN COUNTY

Building A Stronger Community