

Interwest Energy Alliance

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Sarah Cottrell Propst

Executive Director

July 27, 2018

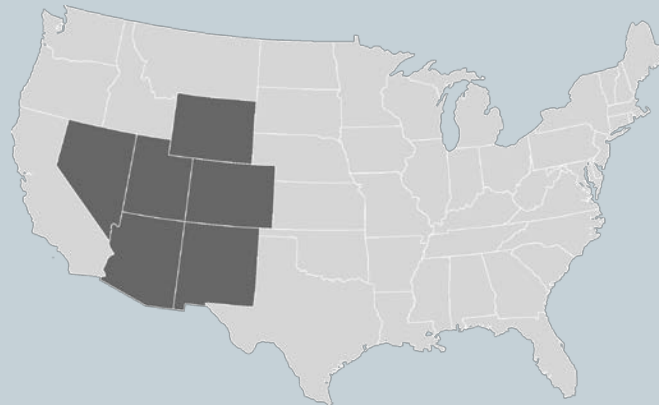
**Presentation to New Mexico Water &
Natural Resources Committee**

Farmington, NM

About Interwest Energy Alliance

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- **Interwest Energy Alliance** is a non-profit trade association that brings the **renewable energy industry** together with the environmental **advocacy community**.
- Our **mission** is to make the Intermountain West a leader in deployment of **reliable, cost-effective, and diverse** renewable energy resources.



*Interwest works in Arizona, Colorado, Nevada,
New Mexico, Utah, and Wyoming*

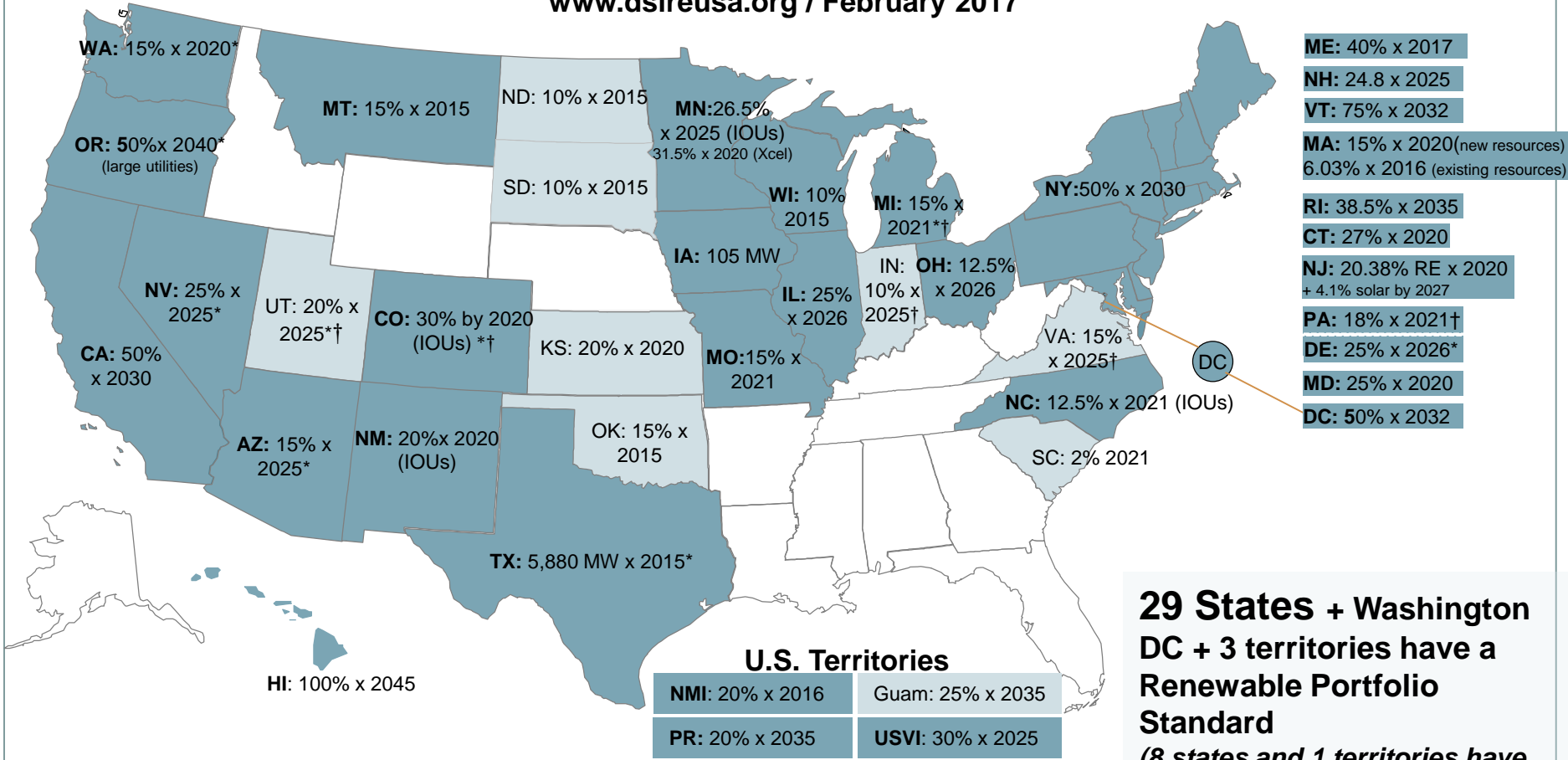
Why RPS?

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- **State policy to ensure that a percentage of a state's electricity is generated by renewable resources**
- **Diversifies the state's energy mix, promotes economic development and jobs, and reduces emissions**
- **Sends clear market signal to developers, utilities**

Renewable Portfolio Standard Policies

www.dsireusa.org / February 2017



29 States + Washington DC + 3 territories have a Renewable Portfolio Standard
(8 states and 1 territories have renewable portfolio goals)

Renewable portfolio standard
 Renewable portfolio goal
 * Extra credit for solar or customer-sited renewables
 † Includes non-renewable alternative resources

A Brief History of New Mexico's RPS Statute

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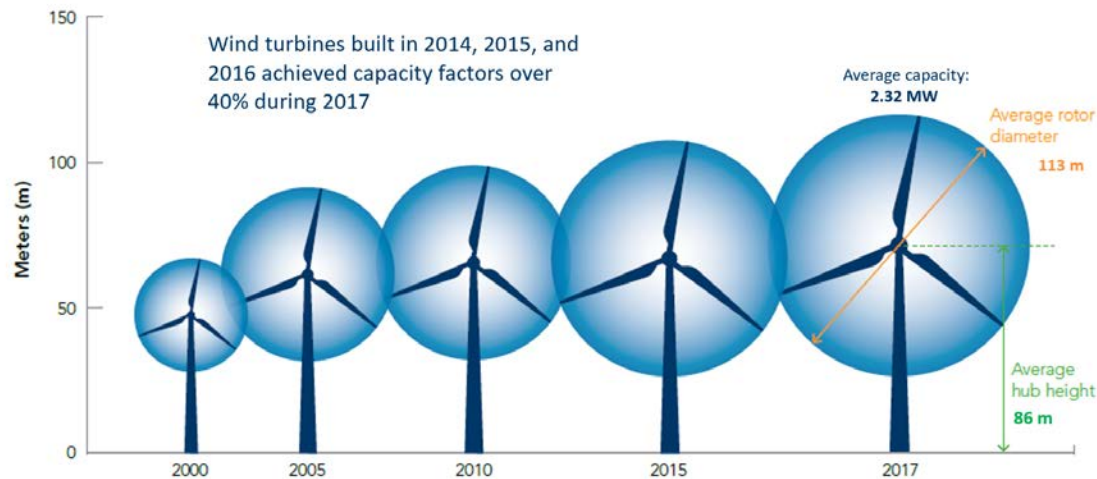
- **2004: SB 43 created RPS**
 - 10% by 1/1/11 for investor-owned utilities (IOUs)
- **2007: SB 418 extended RPS:**
 - 20% by 2020 for IOUs
 - 10% by 2020 for co-ops
- **Other states are passing us by, even though we have world-class renewable resources**
 - California, Colorado, Nevada, Oregon, New York, Illinois, Minnesota, Maine, Hawaii, Vermont, and many other states have higher RPS % targets than NM
 - Leading states are pursuing 50% by 2030 or greater

Wind and Solar Costs are Declining

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- **8-year (2009-2017) percentage decrease in unsubsidized levelized cost of energy (LCOE)**
 - **Wind: 67% decrease**
 - **Solar PV: 85% decrease**
 - Drivers include declines in cost of system components, technology advancements, efficiency improvements, etc.

Market Drivers: Turbine Technology Advancements

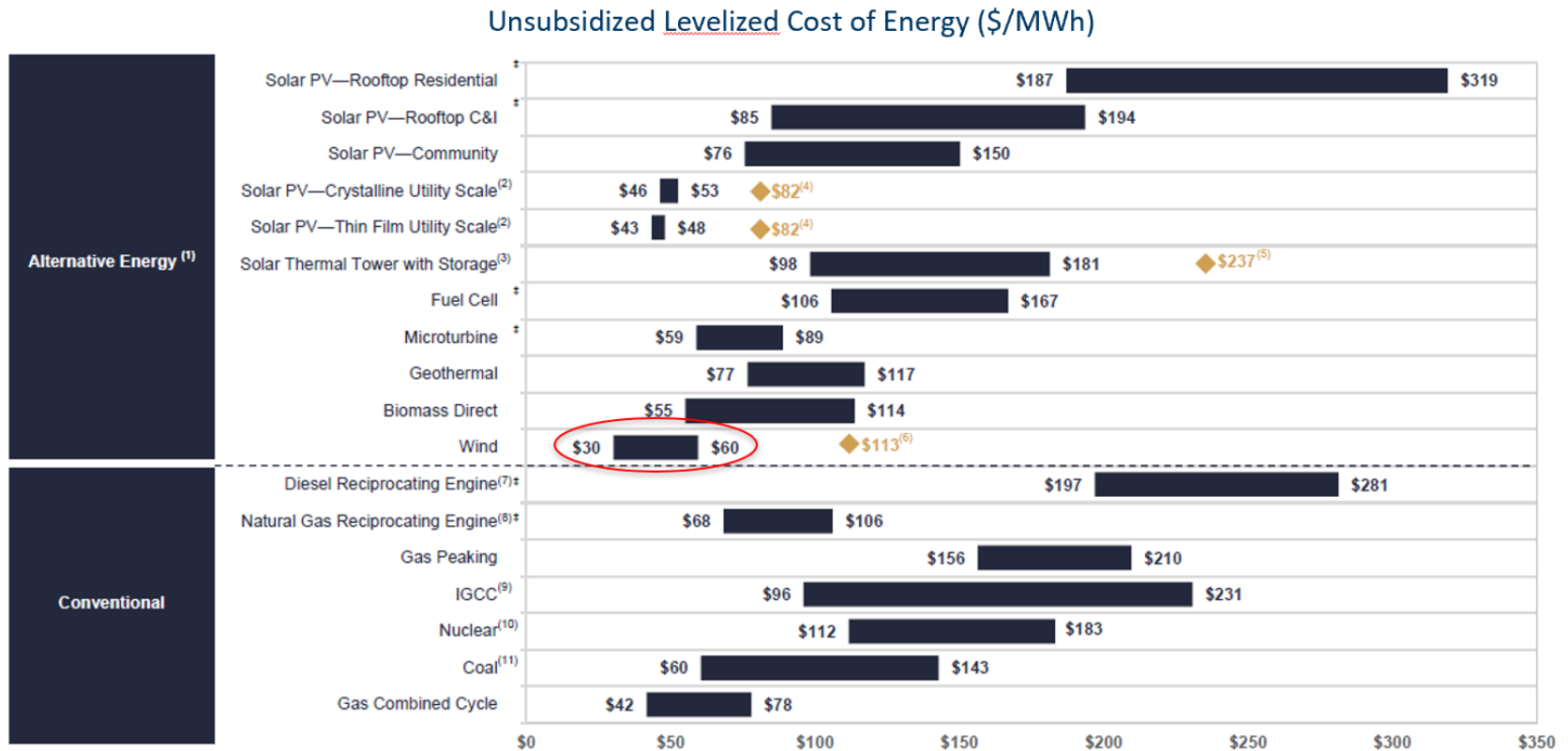


Source: AWEA U.S. Wind Industry Annual Market Report Year Ending 2017

Wind and Solar Costs are Declining

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Market Drivers: Cost Reductions



Source: Lazard's Levelized Cost of Energy Analysis 11.0



Source:
Utility Dive,
Jan. 3, 2018,
by Herman K.
Trabish

DEEP DIVE

Why mandates still matter in the age of cheap renewables

Wind and solar are now competitive with legacy power resources, but analysts expect state RPS laws will continue to drive growth for both renewable leaders and laggards.

- In vertically integrated states like New Mexico where IOUs dominate portfolio decisions, RPSs remain important
- *“Though each state situation differs, recent analyses show that RPS standards are still delivering benefits for customers and the environment, and that the laws will continue to drive wind and solar deployment in many states.”*

Thank You

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Sarah Cottrell Propst

propst@interwest.org

505-660-4229