



NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY

*1516 Paseo de Peralta
Santa Fe, NM 87501
(505) 983-4458*

To: NMFA Oversight Committee
From: Jeremy Turner, Executive Director
Angela Gonzales, Assistant Director
Date: November 30, 2012
Re: RETA's 2012 Proposed Legislation

Issue:

2012 Proposed Legislation

Background:

RETA was established in 2007 and is only the second State Authority in the Country to issue debt to construct a transmission line. We have agreements in place with three transmission companies and one wind generator with planned investments totaling over \$3 billion. A number of these projects have been in the works for over 3 years and expect to continue their efforts for another five years before those projects are put in service. Transmission typically takes 10 – 12 years to build and NM has already made the investment in transmission through the creation of RETA. RETA has operated the last five years with a total of \$2.8 million with \$2 million of that coming from the Legislature in 2007, 2008 and 2009 and the remaining from private business. This is the first year since 2009 that RETA needs to request additional funding from the Legislature to continue its operations.

RETA presented to this Committee at its October 11, 2012 meeting to discuss RETA's future and the need for operational funding for FY 2014. We presented the need for a \$500,000 appropriation to cover one year of operations, but the Committee asked that we reevaluate that request and reduce it. RETA has since reviewed its operations and has reduced the staff and other areas of the budget and are now requesting an appropriation of \$393,200.

We have submitted a special appropriation request in the same amount to the Department of Finance and Administration and have provided the same information to the Legislative Finance Committee at its October 25, 2012 meeting.

Request:

Committee approval of appropriation request.

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BILL

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE NEW MEXICO RENEWABLE ENERGY
TRANSMISSION AUTHORITY FOR OPERATIONAL PURPOSES AND COSTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Three hundred ninety-three
thousand two hundred dollars (\$393,200) is appropriated from
the general fund to the renewable energy transmission authority
operational fund for expenditure in fiscal year 2014 and
subsequent fiscal years for operational purposes and costs in
Santa Fe county. Any unexpended or unencumbered balance
remaining at the end of a fiscal year shall not revert to the
general fund.

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NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY

**Operating Budgets
FY11, FY12, FY13 & FY14**

	FY11 Actual	FY12 Actual	FY 13 Budget	FY14 Request
OPERATIONAL EXPENDITURES				
<u>Personnel Services</u>				
Salaries	\$ 300,921	\$ 350,443	\$ 364,750	\$ 312,750
Total Salaries	300,921	350,443	364,750	312,750
<u>Employee Benefits</u>				
Group Insurance	-	-	-	-
Retirement	-	-	-	-
FICA	25,696	18,537	31,150	22,500
Workers Comp	-	-	-	-
Unemployment Insurance	-	43	2,000	2,500
Total Employee Benefits	25,696	18,580	33,150	25,000
<u>Travel</u>				
Board Travel & Per Diem	3,247	496	500	700
Staff In-State Travel	9,544	1,933	3,500	3,000
Staff Out-of State Travel	6,164	3,131	1,500	3,000
Total All Travel	18,955	5,560	5,500	6,700
<u>Office Supplies</u>	9,201	5,746	8,850	8,850
<u>Contractual Services</u>				
Financial Advisor - Other	-	-	-	-
Legal Counsel	85,993	39,628	17,528	20,000
Accounting-Audit (External)	14,000	14,400	14,800	17,000
Trustee/Banking Fees	1,664	1,294	2,000	1,800
Contracted Services	1,689	1,081	-	-
IT Support	1,536	1,697	500	1,000
Professional Support Services	(2,520)	9,397	8,500	9,500
Total Contractual Services	102,362	67,497	43,328	49,300
<u>Operating Costs</u>				
Business Insurance	-	-	2,000	2,000
Advertising & Promotion	647	454	-	-
Reporting & Recording	310	1,467	400	600
Postage/Overnight	552	228	300	300
Office Rental	19,742	19,500	22,680	24,500
Telephone, Fax & Internet	10,693	9,777	12,000	10,000
Education & Training - Staff	1,195	-	-	-
Dues and Subscriptions	191	264	300	-
Hardware & Software, Furnishings	5,174	5,569	-	4,000
Total Operating Costs	38,504	37,259	37,680	41,400
TOTAL OPERATIONAL EXPENDITURES	\$ 495,639	\$ 485,085	\$ 493,258	\$ 444,000

AGENCY FUNDING SOURCES (Since Inception)

2007 – HB2, Section 5 (53): \$500.0 thousand, and SB710, Section 18:
 2008 – HB2, Section 5 (64): \$250.0 thousand, and SB165, Section 17(8):
 2009 – HB2, Section 4 (Program Support): \$250.0 thousand, and Section 5 (36): \$250.0

Testimony of Arlo Corwin for New Mexico Finance Authority Oversight Committee in support of RETA

November 30, 2012

Thank you for the opportunity to testify this morning. My name is Arlo Corwin and I am the President of Power Network New Mexico and the Project Manager for the Central New Mexico Collector System, a 200-mile, \$350M proposed high-voltage transmission line in eastern and central New Mexico. Our company is one of four that has partnered with RETA to develop a Project.

I'm here to express my support for NM RETA.

Included in your materials is a letter from a group of landowners, County and City officials, and local businesses that explain why transmission is good for economic development. It's not just good – it's great. I have witnessed this first hand. Prior to moving with my family to New Mexico to work on our Project, I spent 8 years developing wind projects in Oregon and Washington. I could tell you stories of counties like Sherman on the verge of bankruptcy now looking at paying dividends to county residents, hardware stores, restaurants, and hotels that hadn't seen as much business since the Columbia River dams and US Highways were built. Families whose sons and daughters came home to work at the local wind farms after leaving when the saw mills closed – in one 100 MW project in Union County, Oregon, 90% of new hires at the wind farm were from the local community.

I want to focus my testimony today, however, on the other part of the story – I'd like to state in simple terms how supporting RETA will bring transmission and economic development to rural New Mexico.

Our company, Power Network New Mexico, a transmission development company, opened an operation in New Mexico for 2 reasons – 1) access to tremendous renewable resources in the form of wind and solar, and, 2) RETA, a state-supported authority whose sole mission is to help get transmission built.

Transmission is complicated. There are innumerable stakeholders. Let me provide a few concrete examples where RETA has proven thus far invaluable in developing our Project:

- Public Service of New Mexico (PNM): Without PNM's support, this Project would not be possible- it's in their backyard and our Project has to compliment what they do, not compete with it. RETA has an outstanding relationship with PNM and is facilitating the relationship with PNM to ensure that this Project fits in with their overall plans.
- Pueblos: Our Project needs to cross at least 2 Native American Pueblos. RETA made those introductions via government-to-government relations, is in fact leading those conversations, and has made sure all stakeholders are treated equitably ensuring the highest likelihood of success.

- Affected Communities: RETA regularly presents at county commission meetings, city meetings, and meets with individual landowners and landowner associations to ensure that the local communities remain well informed.

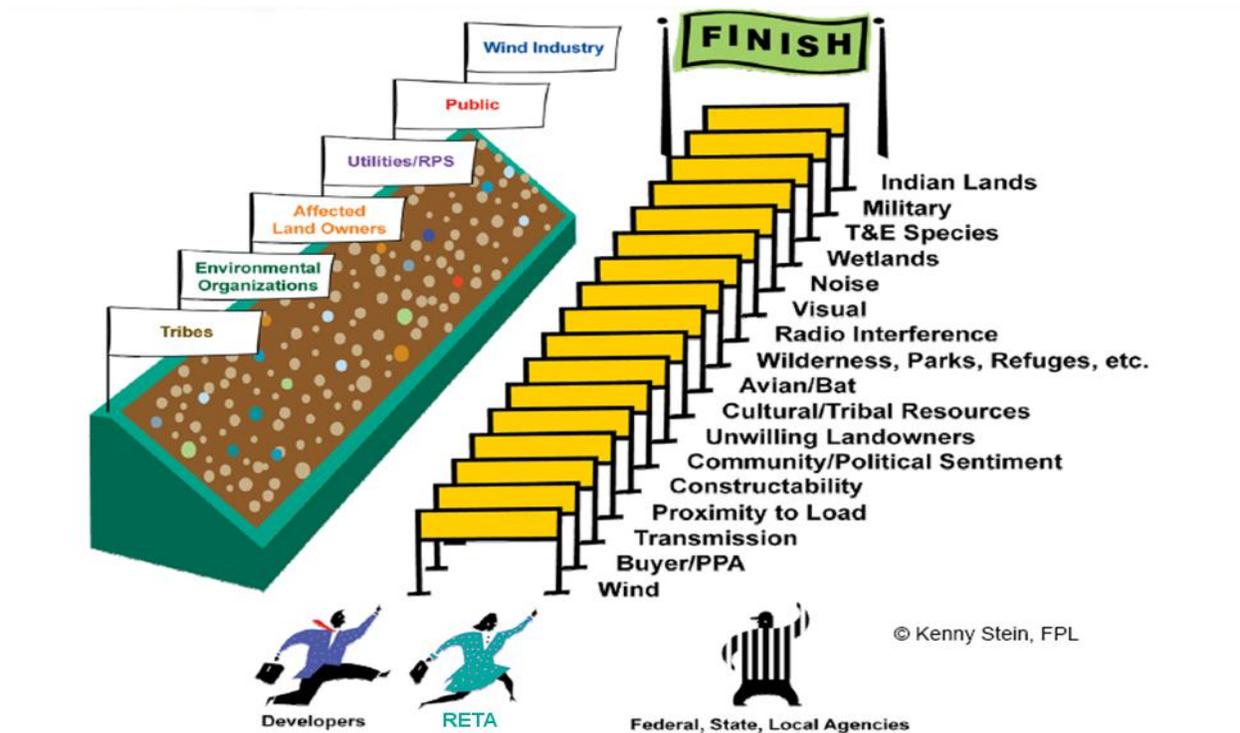
The list goes on and on, including facilitating conversations with environmental stakeholders from NM Game & Fish to NGOs like the Nature Conservancy. My understanding is that RETA is also looking at a mechanism to encourage local hiring to be sure that the jobs created in New Mexico go to local New Mexicans.

I know these are challenging times. But the relatively small investment of less than \$400K in New Mexico’s future has the opportunity to create literally billions of dollars in new infrastructure in New Mexico’s rural areas, create jobs – both construction and full time—create local spending, and add substantially to the property tax base.

I’ll end with a personal example. Although just the tip of the iceberg, my colleagues and I are now in New Mexico, paying taxes and part of the local community. Our competitors – the other projects that are partnered with RETA – are doing or planning to do the same thing. We’re all here because of RETA and we need RETA if we are going to be successful in developing our Projects and bringing this investment to New Mexico.

Arlo Corwin
 mobile: (505) 919-9924
arlo.corwin@powernetworknm.com

THE ROLE RETA PLAYS IN THE DEVELOPMENT OF RENEWABLE ENERGY





Guadalupe County Commission

130 South 4th Street, Suite 101 Santa Rosa, New Mexico 88435-2376 (575) 472-3306 • FAX (575) 472-3735

GLENN G. GONZALES
CHAIRMAN

VINCENT R. CORDOVA
VICE-CHAIRMAN

ALVIN V. MAESTAS, SR.
MEMBER



November 26, 2012

Dear Legislators,

The Guadalupe County Board of Commissioners strongly supports the New Mexico Renewable Energy Transmission Authority (RETA) and their pending budget request.

New high voltage transmission lines and the resulting energy projects can bring critical economic development to rural areas in New Mexico. Central and Eastern New Mexico boast some of the strongest wind and solar resources in the country, but these resources remain largely underdeveloped due to a lack of adequate transmission.

As an example of the benefits these projects can have, the Aragonne Wind project in Guadalupe County, NM is currently paying \$136,00 to Guadalupe County and \$65,900 to the Santa Rosa school district each year. This project is just 90 MW – if new transmission is developed in Guadalupe County, we could see up to 1,500 MW of new generation. Projects like this bring significant benefits to local landowners in the form of lease payments, and a large economic boost to local businesses. During the 12-month construction period for a 100 MW wind project, approximately \$4-6 million is spent at local hotels, restaurants, and hardware stores. If we don't take advantage of this opportunity, these projects will continue to get built in places like west Texas, Colorado, and Wyoming instead of here in New Mexico.

Transmission projects that RETA is working on have the potential to bring multiple wind developments like the Aragonne Wind project to Central and Eastern New Mexico. Please support New Mexico economic development by supporting RETA. RETA is a crucial asset to New Mexico not only because they can help these projects with development, but also because we believe RETA is critical in order to keep the best interests of the State and its constituents at heart as these projects move forward.

Glenn G. Gonzales, Chairman

Vincent R. Cordova, Vice Chairman

Alvin V. Maestas, Sr., Member



State of New Mexico
House of Representatives
Santa Fe

GEORGE DODGE, JR.

D - DeBaca, Curry, Guadalupe & Roosevelt
District 63

Box 316
Santa Rosa, NM 88435
Phone: (575) 472-3798
georgedodge63@legis.gov
georgedodge63@yahoo.com

COMMITTEES:
Chair: Enrolling & Engrossing - A
Education
Taxation & Revenue

November 28, 2012

Dear Governor Martinez and Fellow New Mexico Legislators,

On behalf of a group of landowners and business owners in Guadalupe County, I am writing to express my support of the New Mexico Renewable Energy Transmission Authority (RETA) and their pending budget request.

New high voltage transmission lines and the resulting energy projects can bring critical economic development to rural areas in New Mexico. Central and Eastern New Mexico boast some of the strongest wind and solar resources in the country, but these resources remain largely underdeveloped due to a lack of adequate transmission.

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Transmission projects that RETA is working on have the potential to bring multiple wind developments like the High Lonesome Mesa project to Central and Eastern New Mexico. Please support New Mexico economic development by supporting RETA. RETA is a crucial asset to New Mexico not only because they can help these projects with development, but also because I believe RETA is critical in order to keep the best interests of the State and its constituents at heart as these projects move forward.

Signed,

George Dodge Jr.
State Representative



Santa Rosa

New Mexico

The City of Natural Lakes

ALBERT E. CAMPOS JR.
MAYOR

YOLANDA B. CHAVEZ
DARREL B. GOMEZ
ALVIN V. MAESTAS, SR.
RICHARD L. MUÑOZ
COUNCIL MEMBERS

IAN J. SERRANO
CITY ADMINISTRATOR

MARGARITA MIRELES
CITY CLERK - TREASURER

November 28, 2012

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Sincerely,

Mayor Albert E. Campos Jr.

November 28, 2012

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On behalf of a group of landowners and business owners in Guadalupe County, we are writing to express our support of the New Mexico Renewable Energy Transmission Authority (RETA) and their pending budget request.

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Signed

Daniel R. Runci
dba: Santa Rosa Lumber Inc

Frank J. Balfo

Martin Sanchez
SANTA ROSA N.MEX

Bayer Cheese

Maximiliano Jimenez
Guadalupe County Livestock
Producers Organization: Chair

November 28, 2012

Dear Governor Martinez and New Mexico Legislators,

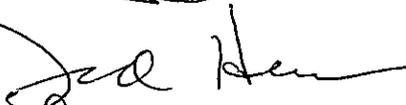
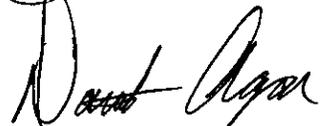
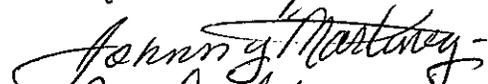
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Signed,

 Paul E. Auler
 Santiago Campos - LA home Motel
 Mi Casa laundromat
 Jed Hen - S.R.C.S.
 David Aguiar - Aguiar Agency/landowner
 Johnny Martinez - Comet II Restaurant
 Daryl
 Paul Chang - The Feed Store
 Cortese Feed

County Commission

Lonnie Freyburger
Commissioner
District 1

Leanne Tapia
Commissioner
District 2

Venessa Chavez-Gutierrez
Commissioner
District 3



County Manager
Joy Ansley

Deputy County Manager
Annette Ortiz

County Attorney
Dennis Wallin

PO Box 48 ~ 205 Ninth Street
Estancia, NM 87016
(505) 246-4752 Main Line (505) 384-5294 Fax
www.torrancecountynm.org

November 27, 2012

Dear New Mexico Legislators:

On behalf of the Torrance County Commission, we are writing to express our support of the New Mexico Renewable Energy Transmission Authority (RETA) and their pending budget request. The high voltage transmission lines RETA is working on can bring critical economic development to rural areas in New Mexico. Central and Eastern New Mexico boast some of the strongest wind and solar resources in the country, but these resources remain largely underdeveloped due to a lack of adequate transmission. Please support RETA as they work to change this.

We've seen first-hand the types of benefits wind projects can have right here in Torrance County. The 100 Megawatt (MW) High Lonesome Mesa project near Willard, NM is currently paying \$325,000 to our county and schools each year. These payments ramp up over time and will ultimately total over \$14 million throughout the 30 year lifespan of the project. This project is just 100 MW – if new transmission is developed in our area, we could easily see 1,500 MW of new generation in Central NM. Projects like this boost the local economy significantly during construction, and create permanent, family wage jobs. During the 12-month construction period for a 100 MW wind project, approximately \$4-6 million is spent at local hotels, restaurants, and hardware stores. If we don't take advantage of this opportunity, these projects will continue to get built in places like west Texas, Colorado, and Wyoming instead of here in New Mexico.

RETA supported transmission projects have the potential to bring multiple wind developments like the High Lonesome Mesa project to Central and Eastern New Mexico. Please support New Mexico economic development by supporting RETA. RETA is a crucial asset to New Mexico not only because they can help these projects with development, but also because we believe RETA is critical in order to keep the best interests of the State and its constituents at heart as these projects move forward.

Respectfully,

A handwritten signature in cursive script that reads "J. Ansley".

Joy Ansley
County Manager