



# New Mexico Finance Authority Oversight Committee

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Santa Fe, New Mexico  
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# RETA Update

- 2010 Legislative Session
- Project Policies
- Current Applications
- Budget
- Board of Director's Work Session
- Senate Memorial 44
- Los Alamos National Laboratory Study
- Clean Energy Transmission Task Force
- RETA's Mission
- Organizational Chart
- Restructuring Task Force
- High Lonesome Mesa Bond Status

# 2010 Legislative Session

- HB 98 – RETA as a Qualified Public Project Fund Entity Bill would authorize RETA:
  - As an eligible entity under the PPRF, to provide an alternative avenue for the placement of RETA bonds
  - To issue bonds at, above or below par
  - To hold certain proprietary information confidential
  - To clarify the statute by allowing separate accounts
  
- Passed the House Floor
- Stalled on the Senate Floor

# Project Selection Policy\*

- Goal was to provide guidance to the Public, Board and Staff
- Define levels of support by RETA
  - Letter of Support
  - Memorandum of Understanding
  - Financial Assistance
- Define application criteria and evaluation procedures
- Define bond sale policy
- Define eminent domain policy

\*Policy is attached

# Current Applications

- Letter of Support Requests from:
  - Lucky Corridor – Proposed 500 kV transmission line, approximately 130 miles long.
  - Clean Line Energy/Santa Fe Line Project - Proposed 500 kV High Voltage Direct Current Line from New Mexico to Nevada
  
- Projects Committee has reviewed both projects and will make its decision at its next scheduled meeting

# Budget

# RETA Board of Director's Work Session

- May 19, 2010 RETA Work-Session
- Relationships
  - State Agencies
  - Military
  - Utilities
- Challenges
  - Political
  - Funding
- Development Currently Being Studied
- Conceptual Statewide Plan
- Looking Forward

# Senate Memorial 44

- Senate Memorial 44 – Sponsored by Senator Timothy M. Keller
- RETA's responsibilities:
  - Develop a map and supporting documents identifying existing generation and transmission lines and renewable energy resource zones to support development
  - Coordinate with other agencies to prioritize regions with low or minimal land development conflicts
  - Identify and prioritize the best options for potential transmission corridors

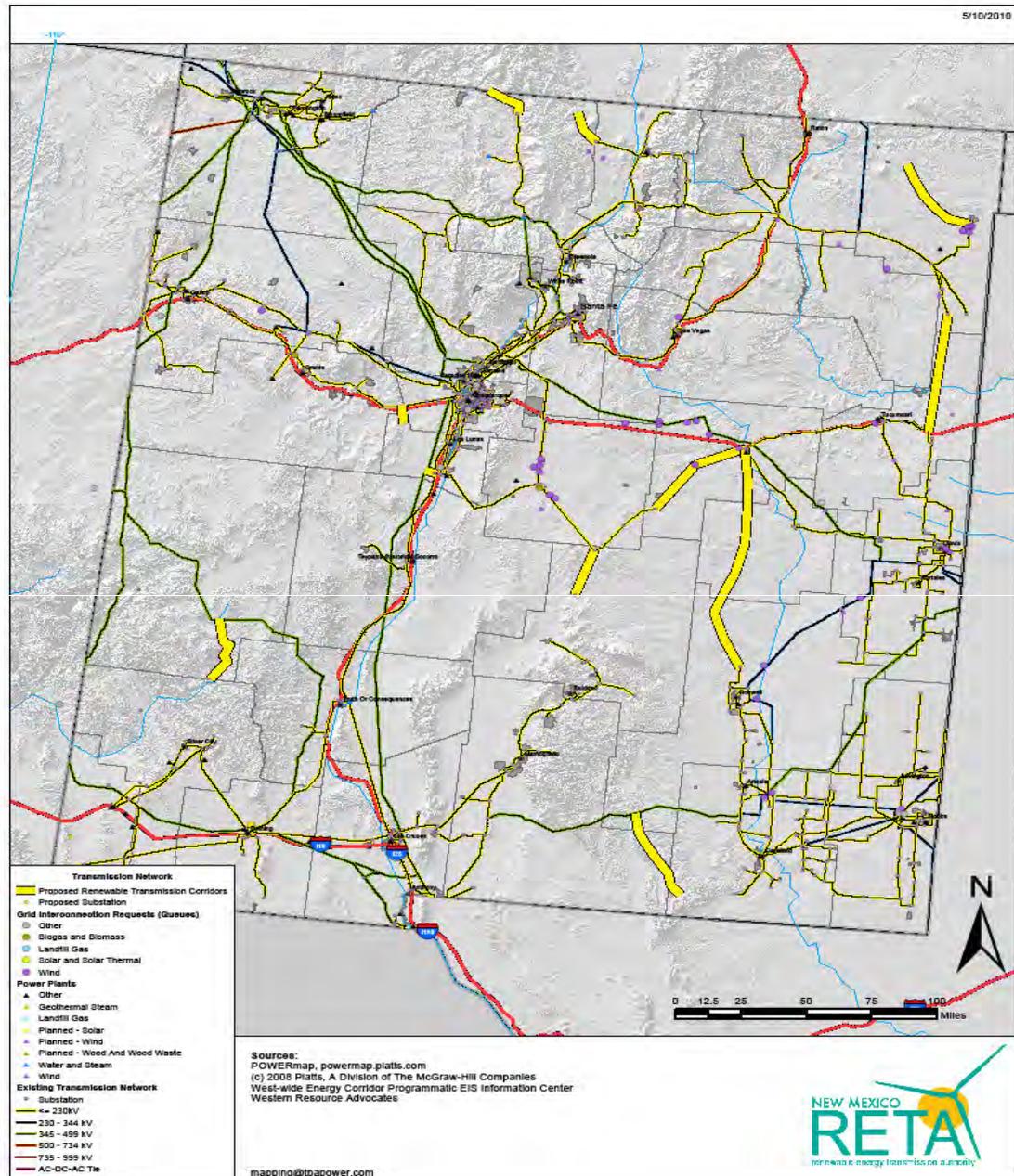
# Senate Memorial 44 – Cont.

## ➤ Next Steps

- Have a draft set of corridors and have begun the public review and input phase
- Plan to update the report every 6-12 months as additional information becomes available
- Work with the Military Installations to minimize potential impacts on their missions
- Work with Counties to permit corridors
- Goal is to reduce time needed to site lines from years to months

# Existing Transmission Network

Yellow = Conceptual  
RETA Corridors



# Los Alamos National Labs Study

- Economic and Technical Study
  - Looped vs. radial collector systems
  - Five-, ten- and twenty-year horizons
  - Economic analysis of varying levels of investment in renewables
    - Impact on gross receipts taxes
    - Impact on property taxes
    - Job creation
    - Cost recovery options
      - Would require legislative action
      - Will examine the fiscal impact on NM customers
      - Goal is to encourage construction which creates jobs and generates revenue for the State

# Governor Richardson's Clean Energy Transmission Task Force

- July 8, 2010 – Map a Statewide Clean Energy Transmission System
- The Task Force will prepare recommendations for the Governor and RETA's Board of Directors regarding opportunities and steps to:
  - Enhance the statewide electricity transmission grid, which will include any appropriate:
    - Collector systems
    - Financing options
    - Cost recovery options
- Recommendations will be on a 5-, 10- and 20-year planning horizon
- Report is due November 1<sup>st</sup>

# RETA's Role

- Be facilitators and create public/private partnerships
- Strengthen legislative support
- Provide public review of projects
- Make timing and economics work to attract capital
- Be the developer by taking an ownership interest
- Goal is to make the cost of renewables competitive with traditional resources since RETA has no profit motive

# Organizational Chart

Robert (Bob) Busch  
Chairman

James Lewis  
State Treasurer

Steven Moise  
State Investment  
Council

Jon Goldstein  
EMNRD Secretary

Laura E. Sanchez Esq.  
Governor Appointee

Michael A. Emerson  
Governor Appointee

Beatriz Rivera,  
Speaker of the House  
Appointee

Randy Mitchell,  
Senate Pro Tem  
Senate Appointee

Jeremy Turner  
Executive Director

Angela Gonzales  
Project Coordinator

Joan Munsell  
Administrative Manager

# Restructuring Task Force

- Legislative effort to address the State's financial crisis
  - RETA received appropriations in 2007, 2008 & 2009 but did not request any additional funds in the last legislative session
  - Do not anticipate a request for funds this session if bonds close
  - Goal is to fund operations from project fees
  - Reconsidering level of participation in ongoing regional projects
  - Limiting employee travel
  - Conducting fewer board meetings
  - Pursuing Federal Grant funding
  - Reviewing level of consultant services

# Restructuring Task Force

- Would RETA's program be better suited to another state agency?
  - Because of the complexity and long term nature of transmission projects, NM needs an agency whose main focus is on renewable energy. New Mexico has some of the best wind, geothermal and solar resources that exist within the U.S. With a thoughtful, measured and expedient approach to the development of its renewable resources, as well as efficiency measures, NM can develop a major renewable energy industry thereby protecting the environment, reducing green house gas emissions, and furthering the nation's goals towards a sustainable and clean energy resource for generations to come.

# RETA's First Bond Issue

- High Lonesome Mesa
  - 100 MW wind farm in Torrance County
- Created approximately 200 construction related jobs
- 10 permanent operation and maintenance jobs
- Total revenue projected over the life of the project is \$580 Million
  - Approximately \$19 million over 30 years for site leases to local land owners
  - Approximately \$14 million in Payments-in-Lieu-of-Taxes paid over 30 years to Torrance County and the Estancia Municipal Schools
- RETA will finance transmission upgrades of approximately \$65 million
- Expect to close on the bonds in the third quarter of this year

# **New Mexico Renewable Energy Transmission Authority**

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