

# Utility Infrastructure to Meet New Mexico's Future Needs

Presentation to Economic and Rural Development Committee

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Talk to us.



SEPTEMBER 29, 2015

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# WHAT DO THESE THINGS HAVE IN COMMON?

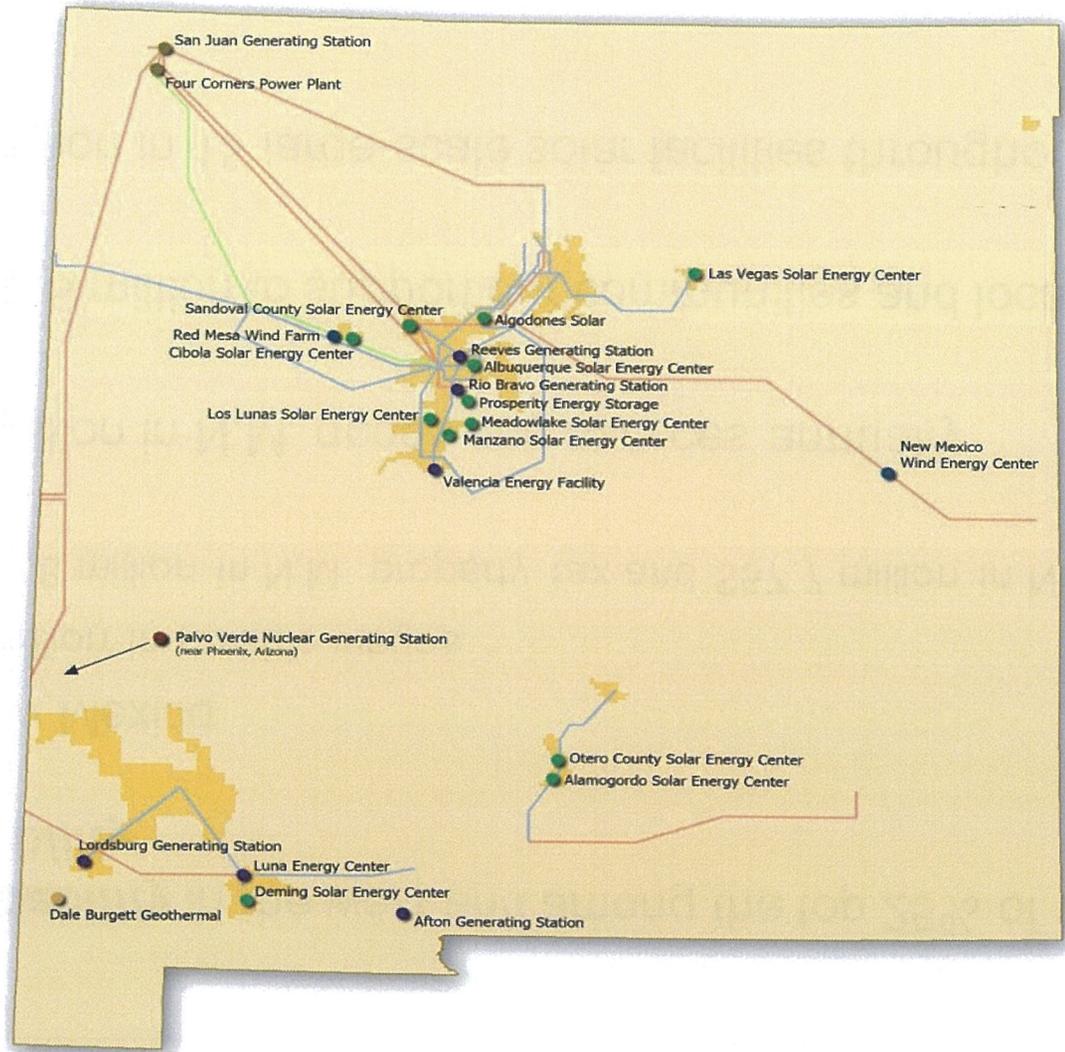
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# PNM OVERVIEW - A TRUE NEW MEXICO COMPANY



- Regulated utility focused on **Reliability, Affordability** and **Environmental Responsibility**
- Only NYSE traded company headquartered in New Mexico
- Over 1,500 employees
- Serving 512,960 customers (40 communities)
- 14,763 miles of transmission and distribution lines
- 2,707 MW generation capacity
- One of the top companies in the nation for diversity (Hispanic Business Inc.)



Retail Customer Area



Generation

- Nuclear
- Coal
- Natural Gas
- Wind
- Solar PV
- Geothermal

Transmission

- 345kV
- 230kV
- 115kV



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## PNM OVERVIEW – PROVIDING REVENUES AND JOBS TO NEW MEXICO

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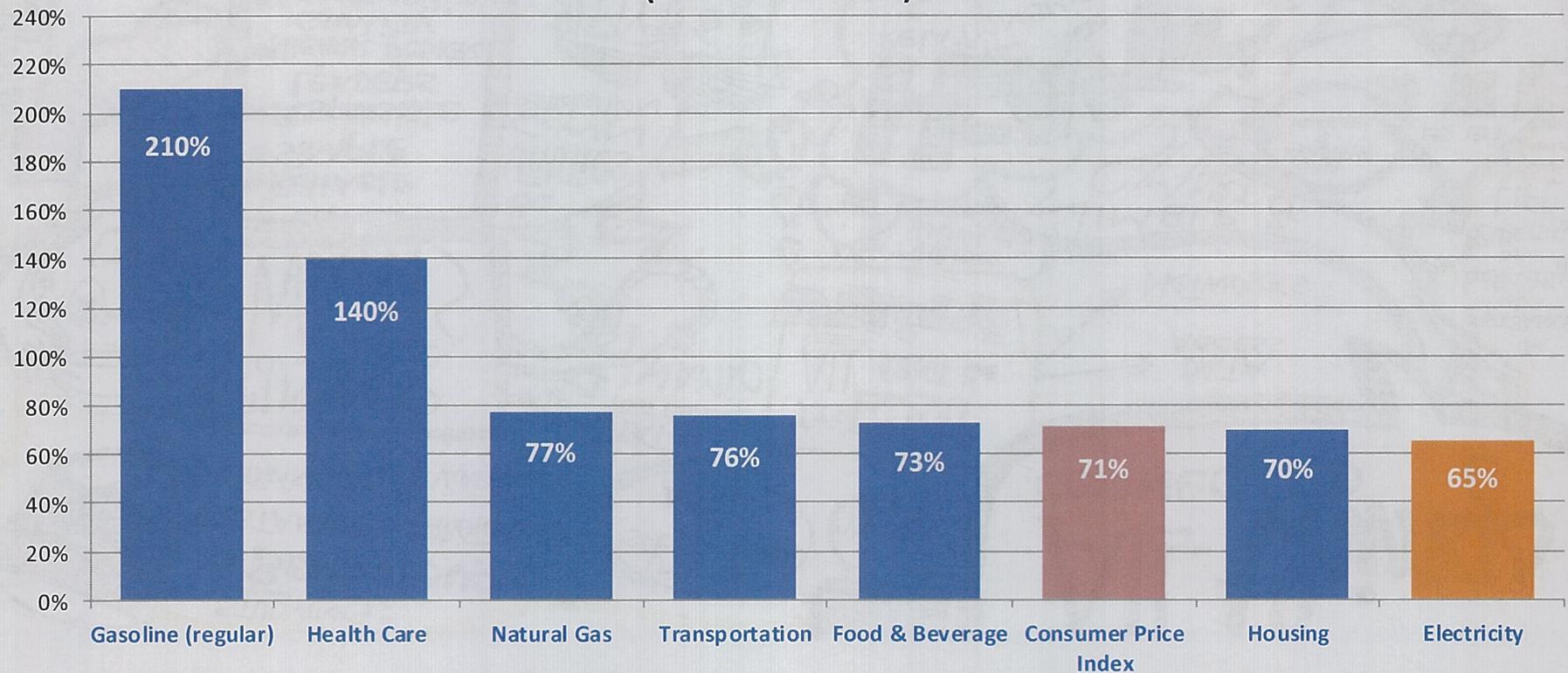
- Top 25% for **affordability** in the west and among the top 25% of utilities in the nation for **reliability**
- Top taxpayer in New Mexico
  - Providing \$137 million in taxable wages
  - In 2014, paid \$22.8 million in N.M. property tax and \$57.7 million in N.M. GRT tax
- Purchases \$203 million in N.M. goods and services annually
- Contributes over \$3.5 million to support our communities and local nonprofits
- Investing ~ \$270 million in 15 large-scale solar facilities throughout the state

# HOW THE CUSTOMERS' EXPECTATIONS ARE CHANGING



## ELECTRICITY: A GREAT VALUE

### Changes in Electricity Prices Compared to Other Consumer Products (From 1991-2013)



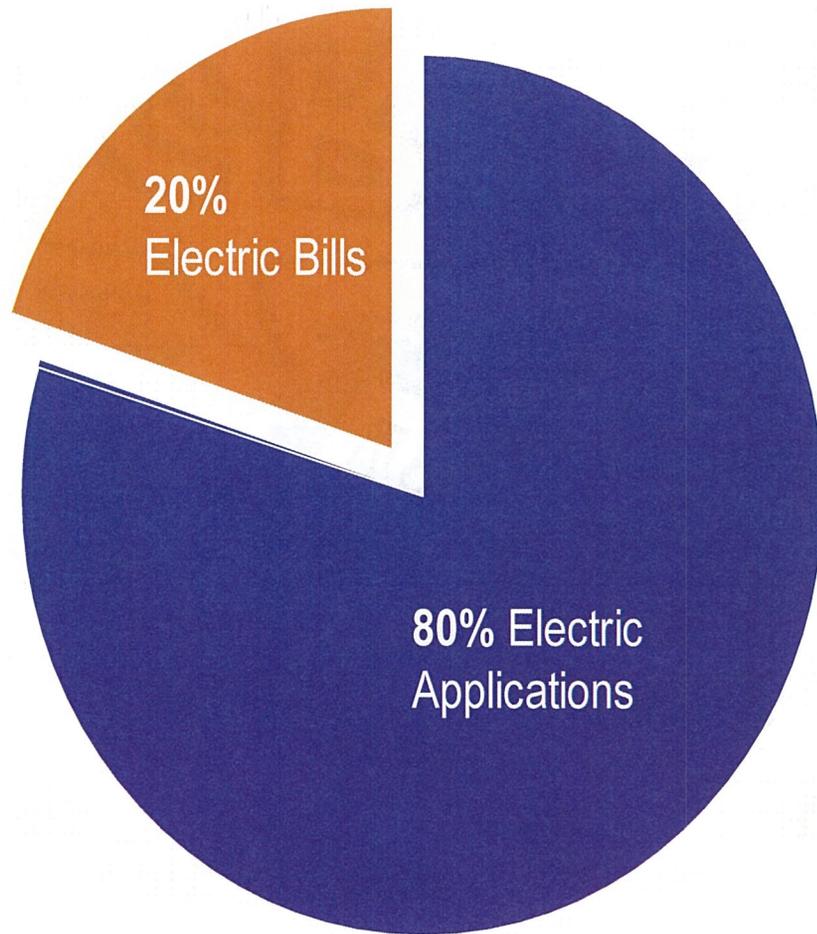
Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS), and U.S. Department of Energy, Energy Information Administration (EIA). February 2014 ©2014 by the Edison Electric Institute. All rights reserved.



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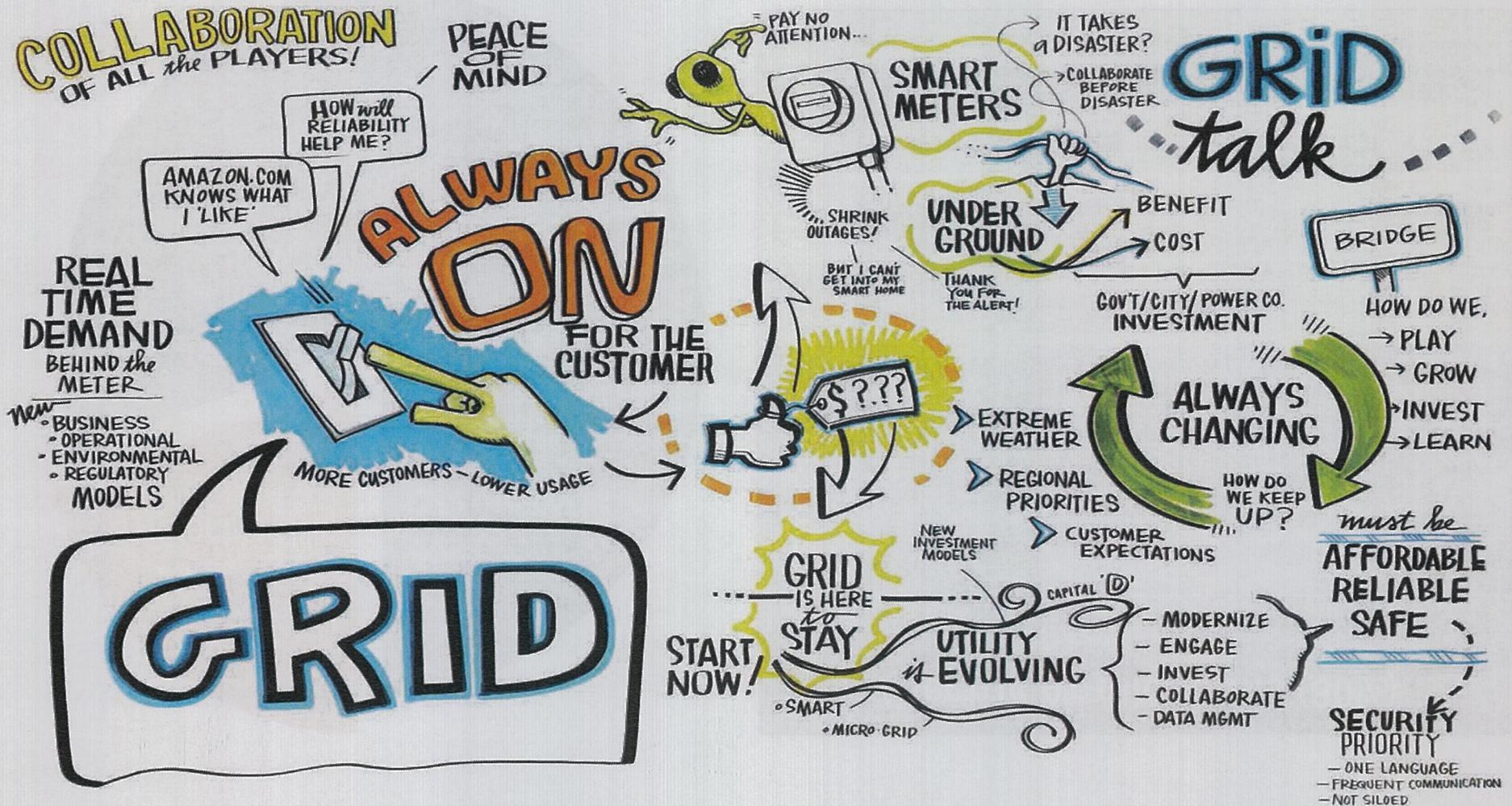
WE NOW SPEND 4X MORE ON ELECTRIC APPLICATIONS THAN ON ELECTRIC BILLS



Electric Applications (80%)		
Consumable	Landline and cellular phone services	20%
	Internet access	10%
	Repair of household appliances, audio-visual, and computer equipment	2%
	Cable and satellite television, radio services, video media rental	11%
Durable	Personal computers, software, and accessories	12%
	Television, audio, and video equipment	13%
	Household appliances, therapeutic medical equipment, telephone and facsimile equipment, electric appliances for personal care	12%

Source: Bureau of Economic Analysis Gross Domestic Product Survey and Edison Electric Institute/David Owens

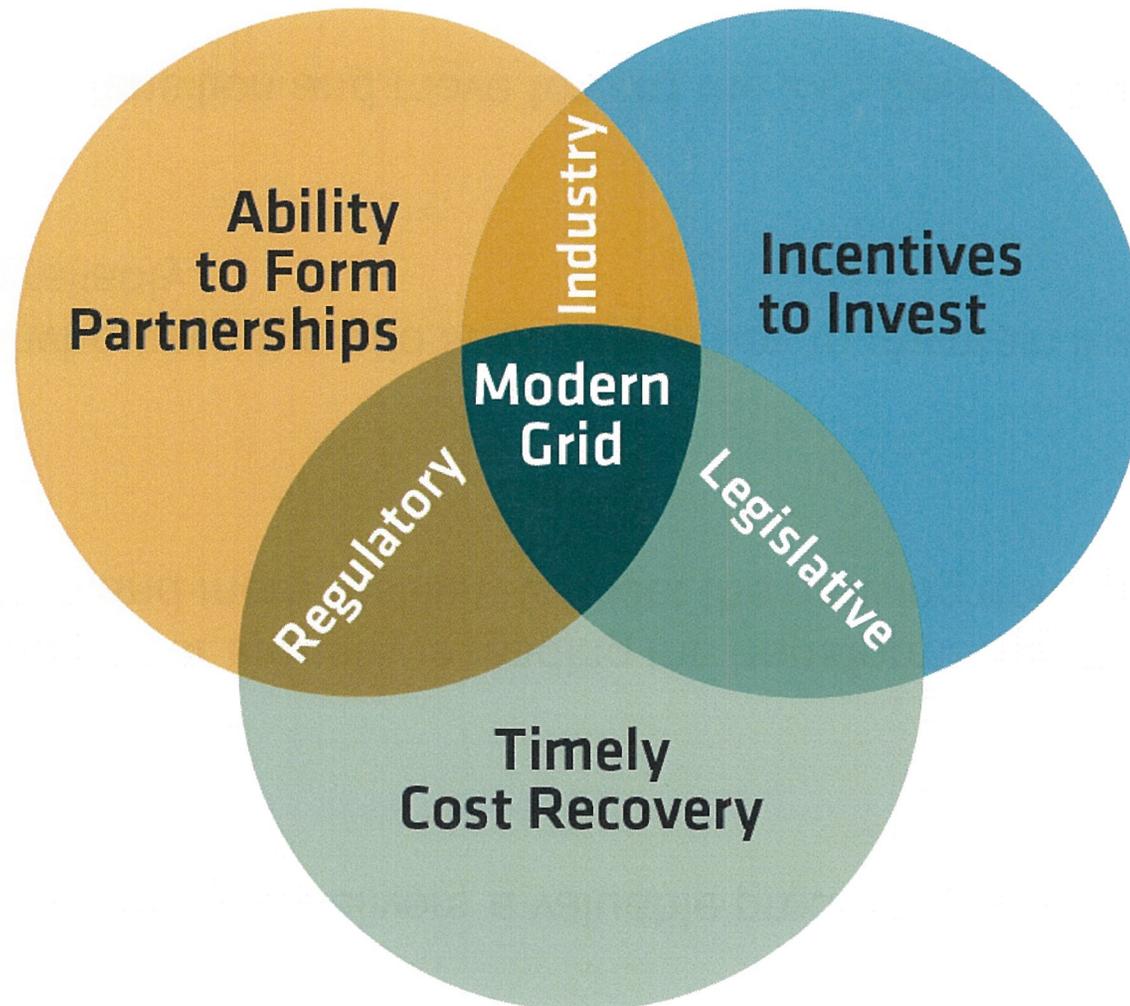
# HOW THE INDUSTRY IS TRANSFORMING



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GRID OF THE FUTURE - MODERN, EFFICIENT, RELIABLE, AND SAFE

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## CONCLUSION

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- The PNM electric grid delivers a valuable product essential to all New Mexicans.
- The electric power industry is leading the transformation to make the grid more flexible and more resilient to meet the growing demands of our digital society.
- Everyone who uses the grid should help pay to maintain it and keep it operating reliably.
- We need to transition and move toward the 21<sup>st</sup> Century electric system.

# Thank you



Talk to us.

