

Water and Natural Resources Committee

Electrical Transmission in and Through New Mexico:
Streamlining the Process While Protecting Local Interests

August 25, 2022



A leader
in developing
assets in
dynamic global
energy markets



Pattern Energy is a leader in developing renewable energy and transmission assets. From a global headquarters in San Francisco to an operations control center in Houston, we work on projects that range from the earliest stages of development to the repowering of older facilities.

Our team has a wealth of experience in identifying potential sites, engaging with communities, and expertly navigating the processes of permitting, environmental mitigation, meteorological assessment, risk management, and finance to build great projects. Using the industry's most advanced technologies, we provide our customers with renewable energy that is affordable and reliable.

Pattern Energy has offices in San Francisco, San Diego, Houston, Albuquerque, and New York in the US; Toronto, Canada; Mexico City, Mexico; Santiago, Chile; and Tokyo, Japan.

Pattern in New Mexico

- New Mexico headquarters, Albuquerque
- Field offices in Curry County and Corona
- Responsible for over 60 permanent jobs in development and wind facility operation
- Thousands of construction jobs including:
 - 650+ jobs 2016-2019, Broadview & Grady Wind
 - 1,000+ jobs 2020-2021, Western Spirit Wind and Western Spirit Transmission
 - 3,000+ jobs expected before 2026, SunZia Wind and SunZia Transmission



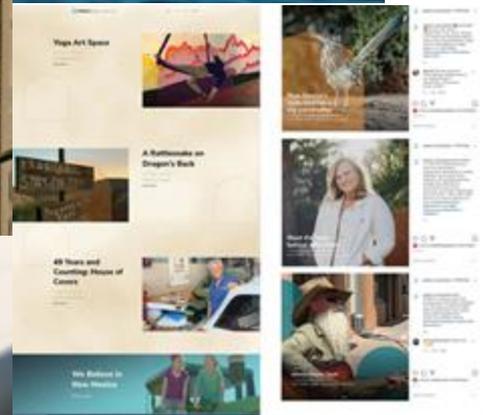
Pattern NM Website



NM Headquarters, Albuquerque



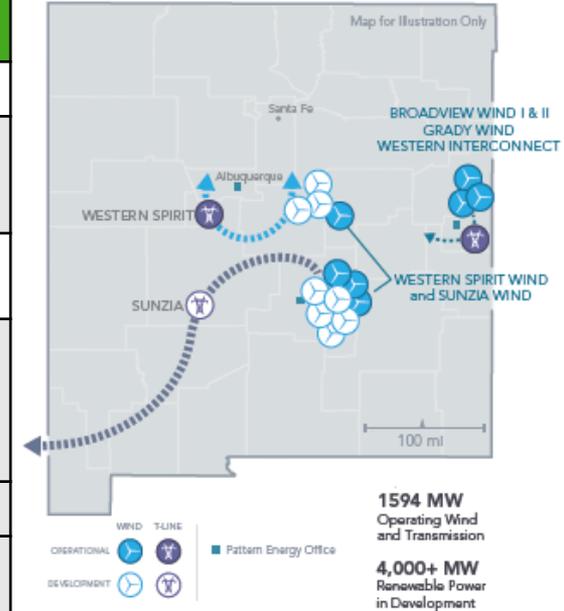
Broadview Wind, Curry County



Pattern's New Mexico Wind Projects

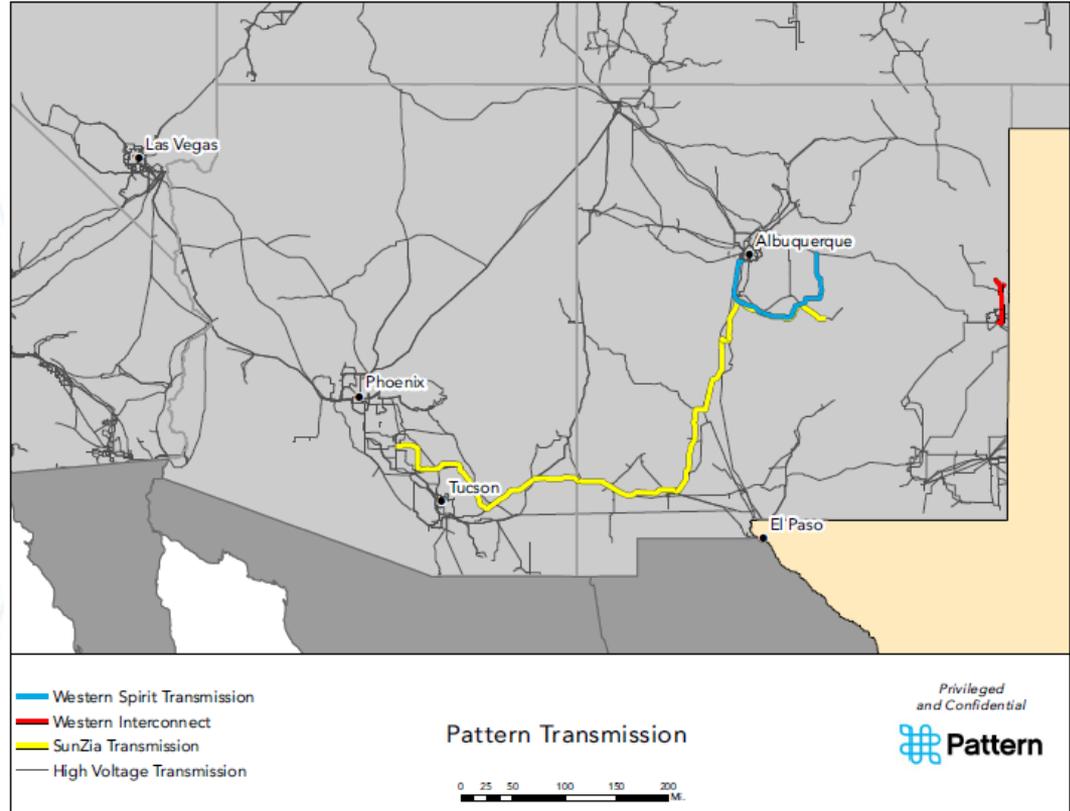
	OPERATING		OPERATING	DEVELOPMENT
	Broadview Wind	Grady Wind	Western Spirit Wind	SunZia Wind – Includes Mesa Canyons Wind LLC and El Corazon Wind LLC
Size	324 MW	220 MW	1,050 MW	3,200+ MW
County	Curry, NM Deaf Smith, TX	Curry, NM	Guadalupe, Lincoln, and Torrance, NM	San Miguel, Lincoln, and Torrance, NM
Status	COD 2017	COD 2019	COD 2021	Expected full construction ramp in 2023, COD 2026
Inter-connection	Western Interconnect; 35-mile 345kV Developed & constructed by Pattern, owned & operated by Pattern		Western Spirit Transmission; 155-mile 345kV Developed & constructed by Pattern, to be sold to PNM	SunZia Transmission Project; 500+-mile 500kV Developed by SWPG
Capital Cost	\$732 Million		\$2 Billion	~\$6 Billion
Pmt. In Lieu of Taxes	\$18.9 Million		\$88.3 Million	~\$268 Million
Total Econ. Impact	\$2.2 Billion – Direct, Indirect & Induced		\$5.03 Billion – Direct, Indirect & Induced	\$10.3 Billion – Direct, Indirect & Induced
Offtaker	SCE	SMUD	LADWP, SJCE	In process

Pattern Energy's New Mexico Portfolio



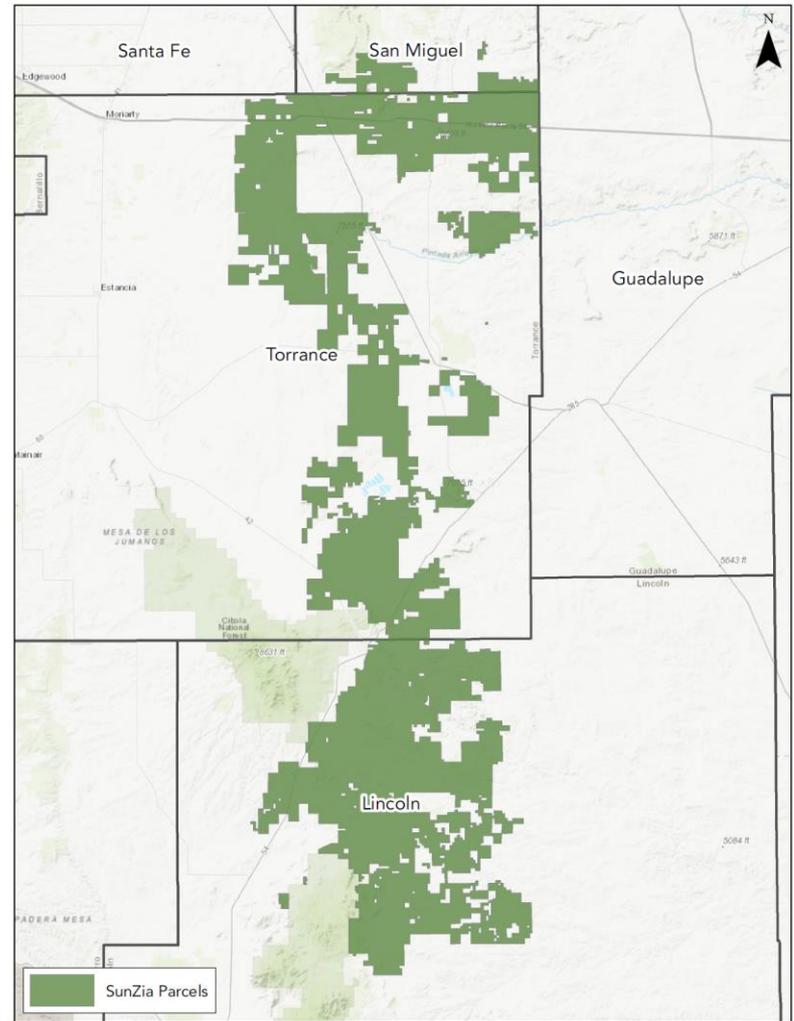
Pattern's Southwest Transmission Development Experience

- Western Interconnect – 35-mile 345kV
 - 35-mile 345kV
 - Connects Broadview/Grady Wind to PNM system
 - Curry County
- Western Spirit Transmission
 - First of its kind public-private partnership
 - Jointly developed by RETA and Pattern Energy
 - 155-mile 345kV transmission line
 - Santa Fe, Torrance, Socorro, Valencia, Bernalillo Counties
 - Project was sold to PNM upon completion
- SunZia Transmission
 - Acquired by Pattern Energy in July 2022
 - Jointly developed by RETA and Pattern Energy
 - 550-mile bi-directional \pm 525 kV high-voltage direct current (HVDC)
 - Torrance, Valencia, Socorro, Sierra, Grant, Luna, Hidalgo Counties
 - Working with willing landowners
 - Projected in-service 2025



SunZia Wind – Total Project Area

- Development Period 2016 – 2026
- 3,200+ MW
- Approximately 750,000 acres between private and state trust land
- Construction Q2 2023 – Q2 2026
- ~950 Turbines
- Maximum height - 699'
- Average hub height ~ 325'-375'
- Blade tip height ~ 495'- 545'
- Performing environmental and cultural studies on the entire project area



SunZia Wind Economic Benefits

- \$4.3 billion in direct economic impacts, with \$223.4 million flowing directly to businesses in New Mexico
- The economic impacts of the Project will generate almost \$5.2 billion for New Mexico’s economy over the forecasted Project activities. The local New Mexico governments are estimated to receive direct fiscal revenues from the Project totaling \$672.2 million.
- Spending on project materials is expected to generate \$64.8 million in GRT for state and local governments. Property tax revenues are expected to be about \$312.5 million. PILOT payments fund local governments and schools and will contribute \$295.0 million for the Study Area counties.
- SunZia Wind’s construction employment activities are estimated to create 1,646 total job-years
- SunZia Wind is expected to employ 100 full-time personnel annually

TABLE ES-3: SUNZIA WIND ESTIMATED ECONOMIC AND FISCAL IMPACTS

Economic and Fiscal Impacts - SunZia Wind Project New Mexico 2021 - 2055 (\$millions)						
Description	Economic Impacts			Fiscal Impacts		
	Direct	Direct & Indirect	Direct, Indirect & Induced	GRT	PILOT	Property Tax
Development	\$65.8	\$92.8	\$110.1	N/A	\$1.1	N/A
Construction	\$223.4	\$277.5	\$351.2	\$62.3	\$4.1	N/A
Operations (30-years)	\$2,845.8	\$3,998.4	\$4,726.7	\$2.5	\$289.8	\$312.5
Total	\$3,135.1	\$4,368.7	\$5,188.0	\$64.8	\$295.0	\$312.5
Total DPV @ 5%	\$1,453.7	\$2,011.5	\$2,398.2	\$54.3	\$133.2	\$131.7

TABLE ES-2: SUNZIA WIND PROJECT EMPLOYMENT

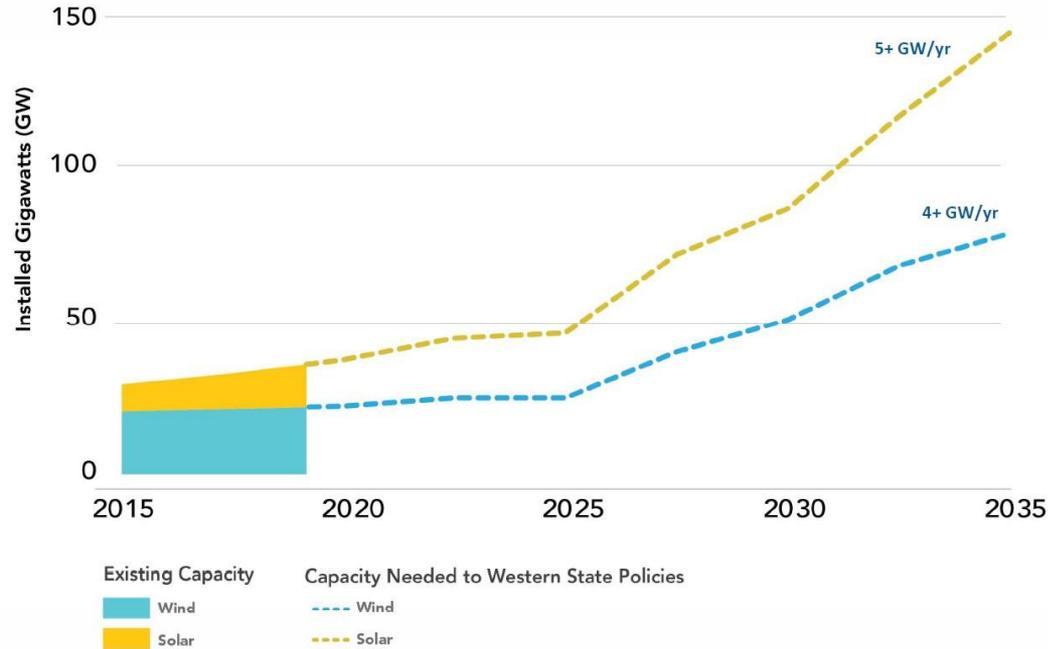
Estimated Annual Job Creation - SunZia Wind Project New Mexico				
Year	2023	2024	2025	2026 - 2055
Construction				
New Mexico	13	27	27	N/A
Out of State	316	632	632	N/A
Operations (Annual)	N/A	N/A	N/A	100
Total Jobs*	329	658	658	100

*Note: Jobs occurring over the 30-year period are annual.

Increased Demand for Renewables

- Existing policies in the West require ~9 GW new renewables per year starting in 2026
 - NM has ~3.5GW installed today
- By 2050 the total demand in the West is upwards of 150 GW

Wind and Solar Needed in the Western U.S. to Meet Existing State Policies

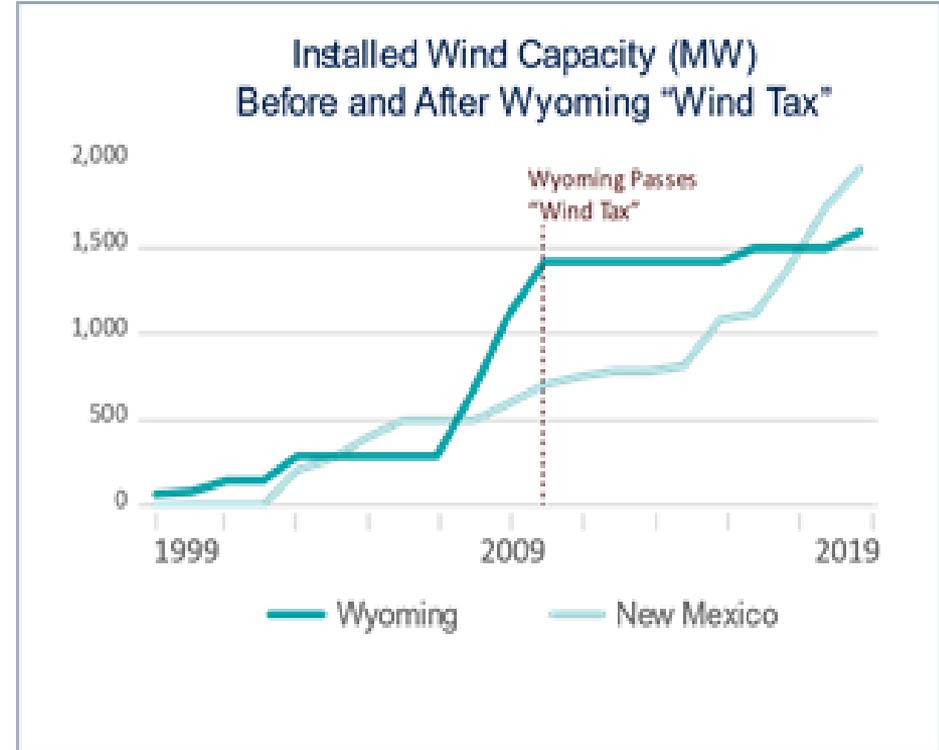


Policy Actions to Increase Investments in New Mexico Clean Energy Infrastructure

Provide long-term certainty and regulatory stability to secure and protect long-term investments.

- Industry-wide investments in New Mexico include:
 - \$9 billion+ in capital investments to date
 - \$21.4 million to New Mexico communities in the form of property, state, and local taxes
 - \$31.7 million in lease payments to farmers, ranchers, and landowners
- Uphold siting, permitting, and approval processes
 - The “Green Amendment” has potential to create uncertainty in the courts and significantly disrupt clean energy development.

Source: American Clean Power [New Mexico Fact Sheet](#)



Source: Moss Adams LLP

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