



# NMFA Oversight Committee

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Santa Fe, New Mexico  
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# Overview

- High Lonesome Mesa Update
  - Timeline
- Update on SM 44
  - Draft Corridors
- Activities of Governor's Task Force on Statewide Electricity Transmission Planning
- Los Alamos National Labs Study
- 2011 Legislative Update

# High Lonesome Mesa Update

- 100 MW wind farm in Torrance County
- Created approximately 200 construction related jobs and 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

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# High Lonesome Mesa Timeline

Date	Action
December 2009	RETA Board of Directors approved an Authorizing Resolution for the Sale of Bonds not to exceed \$85 million
February 2010	Began work on marketing the bonds (6 week process)
April 2010	Cargill filed a complaint against PNM with the Federal Energy Regulatory Commission (FERC) which included the request to invalidate the transmission rights of HLM
July 2010	FERC ruled on Cargill complaint which did not invalidate the transmission rights of HLM
August 2010	Discussions began again with potential investors
September 2010	Marketing efforts are underway
December 2010	Hope to have bonds closed by the end of the calendar year

# Senate Memorial 44

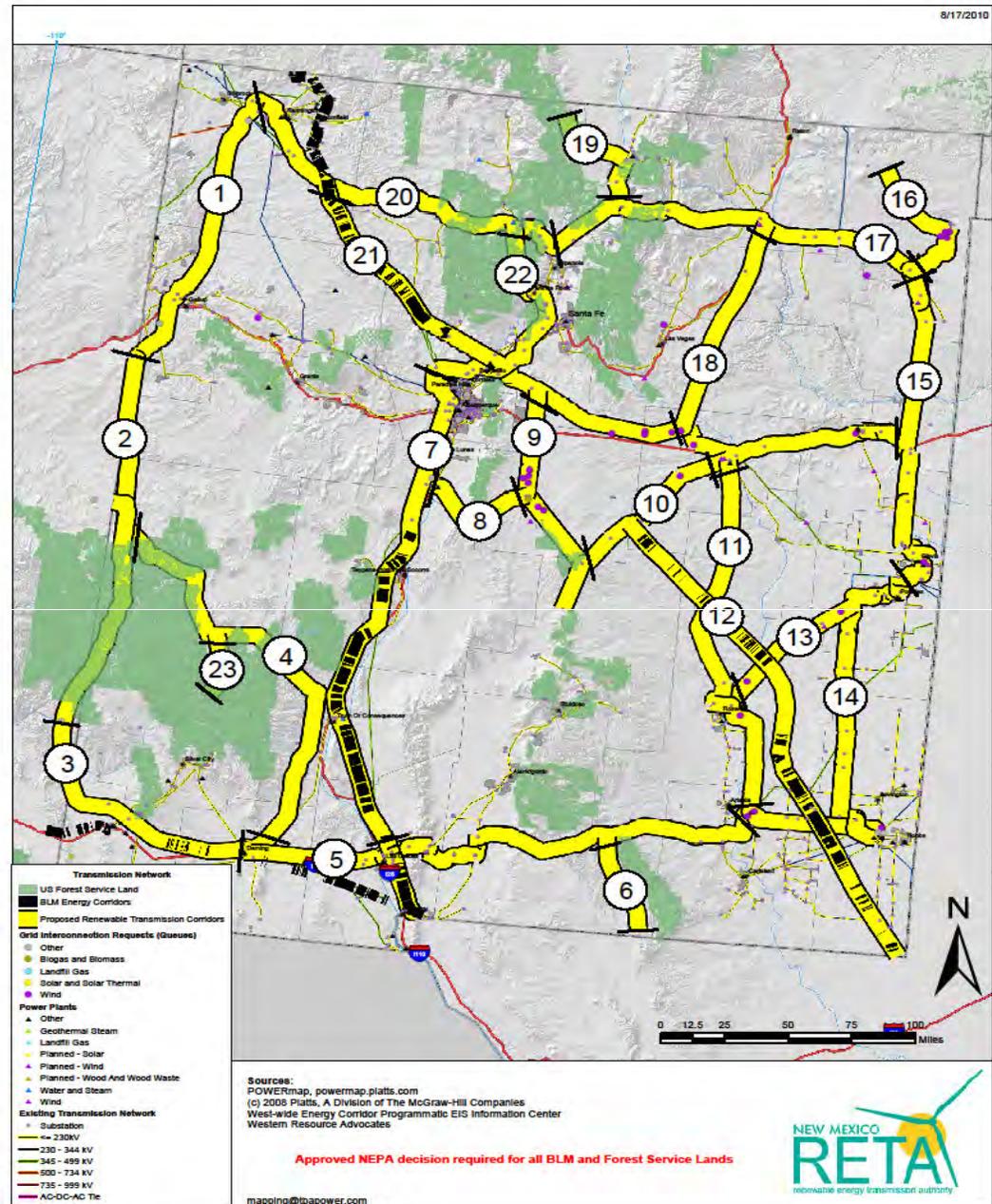
- Senate Memorial 44 – Sponsored by Senator Tim Keller
- RETA's responsibilities
  - Develop a map and supporting documents identifying existing generation and transmission lines and renewable energy resource zones to support development
  - Coordinate with other agencies to prioritize regions with low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

# Intent of Corridor Definition

- **RETA does not have any statutory authority to obligate any developer to build a transmission line within an identified corridor**
- The intent is to help mitigate any potential environmental, wildlife and cultural damage through the identification of these corridors
- RETA is proceeding through this effort with the help of various stakeholders in an attempt to identify the areas best suited for possible development
- We have tried to not interfere with ongoing efforts by large regional projects like SunZia, High Plains Express and the Santa Fe Line
- Specific rights of way within an identified corridor will need an environmental review prior to construction
- Would like to identify funding to complete the environmental work on each corridor in order to expedite the siting and building of lines

# 2<sup>nd</sup> Iteration of Draft Corridors Map

This map will be changed substantially based on comments received through this process



# SM 44 Timeline

Date	Action
October 2009	Presented report to Senator Keller and NMFA Oversight Committee
June 2010	Presented map of draft corridors for public comment at TCC meeting
July 2010	Presented 2 <sup>nd</sup> iteration map of draft corridors created by comments received from the public and state governments
September 2010	Received 2 <sup>nd</sup> round of public comments and are currently working on 3 <sup>rd</sup> iteration of map
October 2010	3 <sup>rd</sup> iteration of map will be out for 30 day public comment period
November 2010	Public comment will be due on new map
December 2010	Stakeholder meeting to discuss new map of draft corridors and next steps

# Governor's Task Force on Statewide Electricity Transmission Planning

- 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>

# Governor's Task Force Timeline

Date	Action
August 2, 2010	Overview of Task Force Duties, presentations on PNM's queue & interconnection process and on Regional projects being studied in NM
August 30, 2010	Presentation on FERC by Suedeem Kelly & on LANL study by Loren Tool. Discussion on cost recovery issues.
September 27, 2010	Presentation on sensitive & restricted areas in NM, SPS on the regional planning process, and development of a permitting & siting authority. Discussion on LANL report.
October 12, 2010	Continued discussion on LANL report, 5 - 20 year plan for NM, cost recovery and siting issues. Begin outline of report
October 25, 2010	Discussion on enhancement of the statewide electricity transmission grid. Work on finalizing report.
November 1, 2010	Have report ready for the Governor's Office and the RETA Board of Directors

# Los Alamos National Labs Study

- Independent study conducted by LANL to evaluate statewide transmission concepts, economic benefits and cost allocation methodology
- Study began on June 24, 2010 and will be complete October 8, 2010
- Analyzing two potential systems, looped vs. radial line upgrades, necessary to export 5,200 MW of generation
- Analyzing upgrades on a 5, 10 and 20 year planning cycle
- Analyzing economic benefits and cost recovery options
  - Total direct and indirect jobs that will be created
  - Potential tax implications of each plan
  - Energy tax required to support each potential system

# 2011 Legislative Session

- Working with RETA Board on final legislative proposal
  - Present at November Oversight Committee Meeting for approval
- Similar to last years legislation (HB 98)
- To issue bonds at, above or below par
  - Currently, the act only allows for bonds to be issued at par
  - The proposed request allows for some flexibility when issuing bonds as market conditions dictate

# Clarify RETA Statute

- To clarify the statute by allowing separate accounts
  - The proposed amendment below makes these clarifications and as such ensure RETA's future ability to issue bonds for renewable energy projects.
  - The authority may create separate accounts within the fund in connection with any issuance of renewable energy transmission bonds and may deposit in such separate accounts revenues received by the authority derived from the financing or leasing of eligible facilities. Any such separate account shall be held by a trustee acting under a trust indenture relating to those bonds. Earnings of the fund or any separate account shall be credited to the fund or the applicable separate account. Money in any separate account may be pledged solely to payment of bonds for which the separate account was created.

# Confidentiality

- To hold certain proprietary information confidential
  - Proprietary Information--Information obtained by RETA that is proprietary technical or business information shall be confidential and not subject to inspection pursuant to the Inspection of Public Records Act
  - Proprietary confidential information includes power purchase agreements, costs of production, costs of transmission, transmission service agreements, credit reviews, detailed power models and financing statements.

# Authorize NMFA to Purchase RETA Bonds

- Allow RETA as an eligible entity under NMFA's Public Project Revolving Loan Fund to purchase RETA Bonds
- This section was the main reason that last year's bill stalled on the Senate floor
- There is concern that transmission projects' credit worthiness may not meet standards of the PPRF
- RETA will work with NMFA prior to the Committee's November meeting for feedback on PPRF concerns

# **New Mexico Renewable Energy Transmission Authority**

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