



Science and Technology 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

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

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

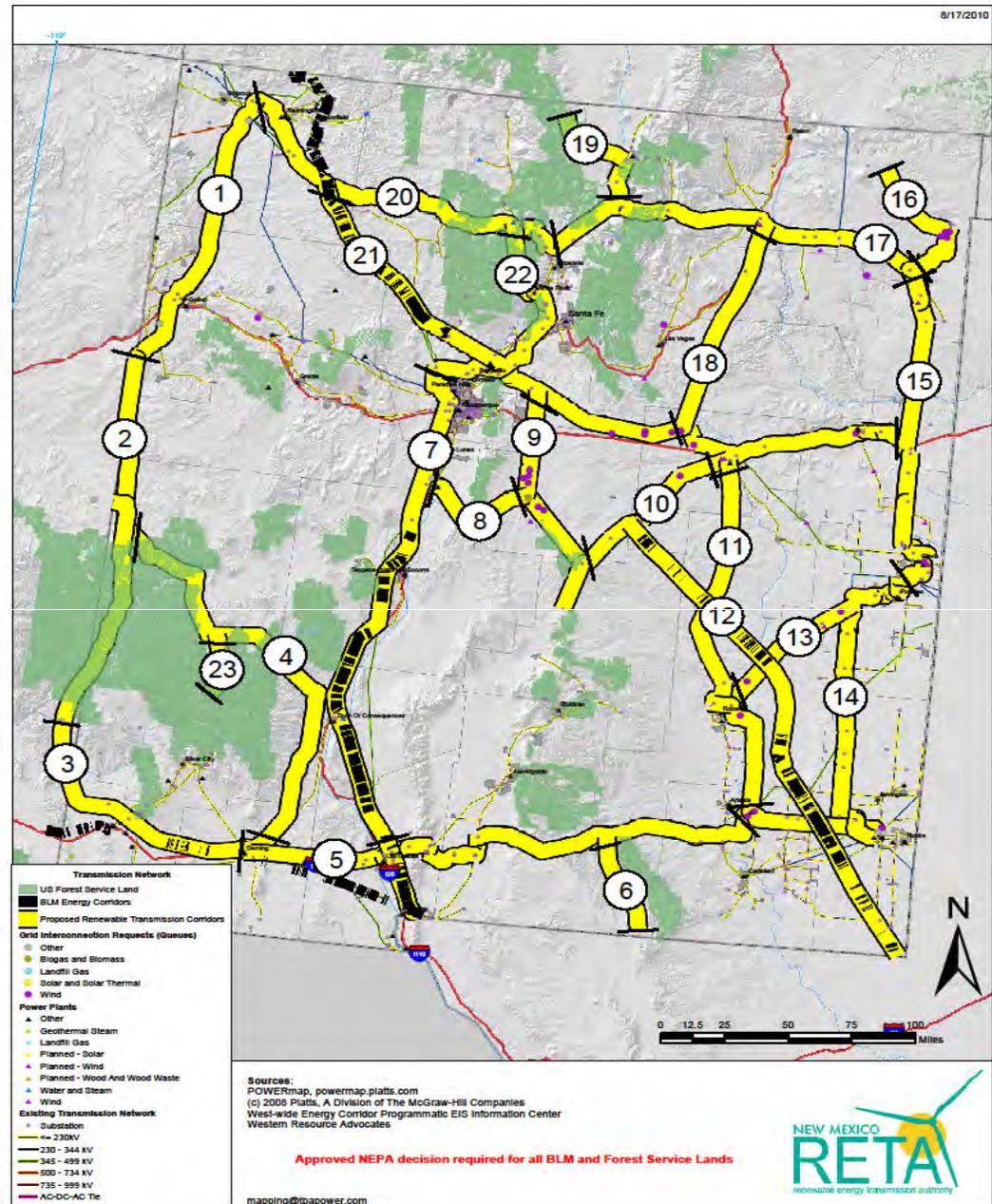
- Senate Memorial 44 – Sponsored by Senator Tim Keller
- RETA's responsibilities
 - Develop a map and supporting documents identifying existing generation and transmission lines and renewable energy resource zones to support development
 - Coordinate with other agencies to prioritize regions with low 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

2nd 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 nd iteration map of draft corridors created by comments received from the public and state governments |
| September 2010 | Received 2 nd round of public comments and are currently working on 3 rd iteration of map |
| October 2010 | 3 rd 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 1st

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 September 30, 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

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