



new energy economy

Addressing the Climate Challenge
With Bold Solutions

[Home](#) » [Current Campaigns](#)

Replacement Power



[CLICK HERE FOR THE LATEST CAMPAIGN NEWS AND UPDATES](#)

[CLICK HERE FOR CAMPAIGN RESOURCES](#)

[WATCH](#) [SHARE](#) [CONTRIBUTE](#)

Read about the Supreme Court's Decision and
our Final Brief in the Case

An Unprecedented Opportunity for Transition

New Mexico has an unprecedented opportunity to significantly shift its energy portfolio from fossil fuel and other extractive energy sources to clean, affordable renewables. As result of years of legal activism and political organizing by New Energy Economy and our allies and pressure by the Environmental Protection Agency, PNM was forced to agree to retire Units 2 & 3 at the San Juan coal plant and install pollution controls on Units 1 & 4, in order to bring them into compliance with Clean Air Act Regional Haze Requirements. Unfortunately, PNM is proposing a plan to replace the energy capacity from the retired units by bringing more coal, nuclear, and natural gas into its mix, for a total cost to ratepayers of approximately 66 million dollars a year starting in 2018, (not including any expenses for forthcoming carbon or coal ash regulations, or fuel cost increases).

[**SEE A SUMMARY OF THE CASE TO DATE HERE**](#)

PNM is Blocking Progress with a Replacement Power proposal that is 96% coal and nuclear

- 1) The purchase of 197 megawatts more coal power from SJGS Unit 4 (65 more megawatts than the last negotiated settlement in December 2014).**
- 2) The transfer to rate base of more nuclear (134 megawatts) from PNM's own interest at the Palo Verde nuclear plant located in Arizona, at approximately \$1,100 per kW. (PNM will charge NM ratepayers 2 times the merchant market price; PNM is currently selling the energy at a \$6M loss per year.)**
- 3) The construction of a new natural gas plant (187 megawatts) sited in Farmington, NM for \$131 million dollars.**
- 4) Recovery of \$115.5 million dollars in un-depreciated assets for the closure of SJGS Units 2 & 3 (also known as "stranded assets").**
- 5) Pollution controls (Selective Non-Catalytic Reduction, aka "SNCR") on SJGS Units 1 and 4 for \$90.6 million dollars.**

The marginal cost to ratepayers is approximately 90 million dollars for the

first year starting in 2018.

A More Affordable, Renewable Energy-Based Alternative Exists

New Energy Economy has developed an alternative replacement power plan that would take PNM's energy profile to 30% renewables by adding 400 megawatts of wind and 260 megawatts of solar power. This would not only reduce the grave environmental and health hazards involved in coal production, but due to the new Carbon Rule and increasing regulations on the disposal of coal ash, alongside decreasing costs of wind and solar per kilowatt hour, this alternative plan would also be the most cost-effective option for ratepayers and *save New Mexicans hundreds of millions of dollars.*



Using PNM's own financial modeling software, we have been able to prove that there are 4 plans cheaper than

PNM's, including NEE's renewable energy-based replacement power plan and a four-unit shutdown at San Juan (saving New Mexicans \$300 million over the next 20 years). The cost of energy sources on the open market are currently 8 cents per kilowatt hour for nuclear, 9 cents for coal, 7 cents for gas, 6 cents for solar and 4 cents for wind. With the cost of renewable energy decreasing exponentially every year, there is no doubt that our economy is rapidly embracing renewable energy. So why is PNM still dragging its heels against the inevitable?

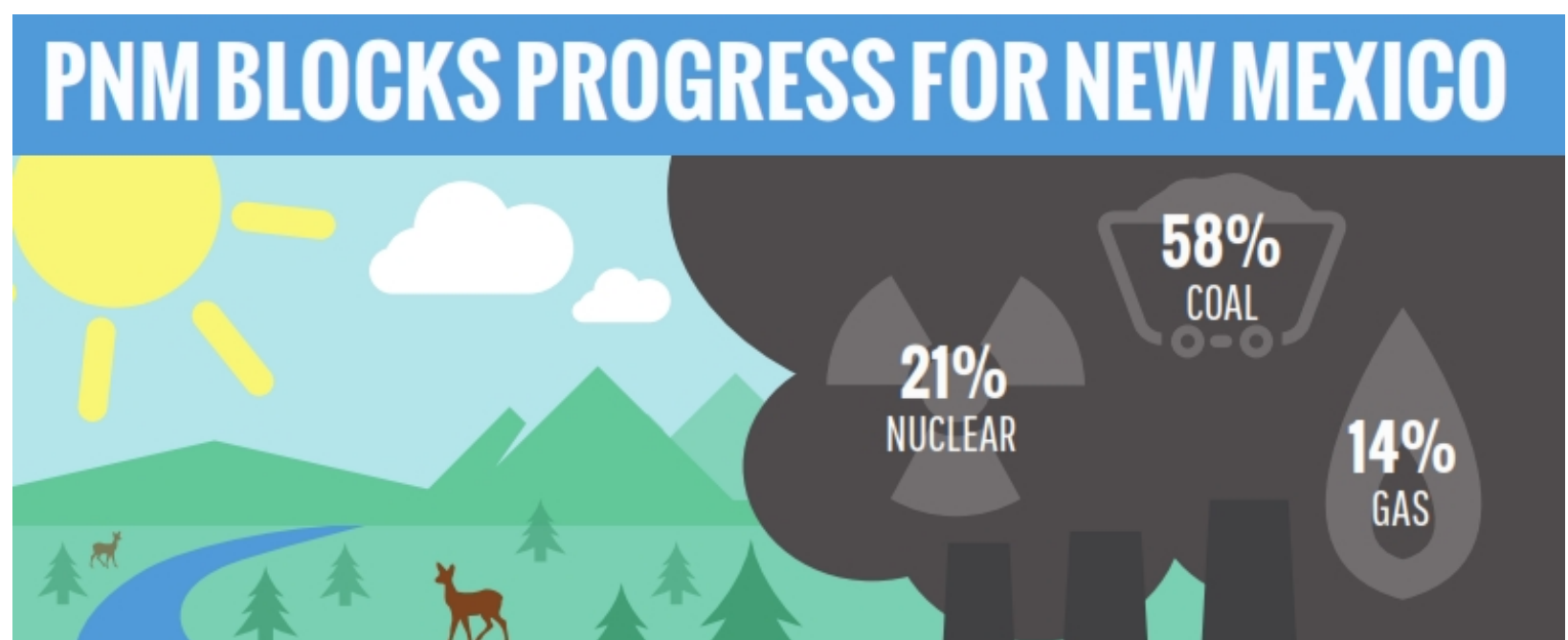
The PRC Has Failed To Regulate

Despite widespread public support for renewable alternatives and a breakthrough decision by the Case's Hearing Examiner warning against the risks and costs associated with further coal investment and prohibiting the inclusion of inflated nuclear, the Public Regulation Commission has failed to rule on the case - providing PNM with multiple extensions in order to secure

coal contracts and restructuring agreements. Over a twenty month period, two evidentiary hearings have taken place through which proof of PNM's failure to meet the requirements to consider alternatives and develop a plan based on least cost as well as environmental impact mitigation has been presented. Yet, in the same period, evidence of PNM's influence on four of the five Public Regulation Commissioners responsible for deciding the case has come to light including ex-parte communications, bias, and prejudgement in favor of PNM's coal and nuclear and against New Energy Economy's case for alternatives.

The Replacement Power decision will determine New Mexico's energy portfolio for the next 30 years. We cannot let this opportunity pass us by because of corruption and greed.

New Energy Economy has appealed to the NM Supreme Court to ensure that this critical decision is determined by a fair and impartial tribunal. On November 9th, following oral arguments, the Supreme Court ruled that the PRC could make the decision following the Hearing Examiner's Recommended decision but warned the PRC that they would apply the legal of "heightened scrutiny" to the case should it come back to them on appeal. Given that the recusal of 4 of the 5 PRC Commissioners would mean that there would be no quorum for a decision and the fact that that would present an unprecedented procedural challenge, with no legal remedy, the Court's decision to review the case themselves, if necessary due to an appeal by New Energy Economy, with heightened scrutiny, which would allow them to overturn the PRC's ruling, is a very positive outcome.



TOO LITTLE TOO LATE

PNM provides only



2%
SOLAR



5%
WIND

THEY GET RICH, WE GET SICK

1

ANNUAL POLLUTION

12 million tons of CO₂
1.8 million tons of coal ash
17,000 tons of nitrogen oxides
4,000 tons sulfur dioxides

2

WATER WASTE

6.3 billion gallons of water/year –
that's 11 gallons/minute!
Equivalent to 2.5 times the usage of
the City of Santa Fe, NM

3

PNM & WALL ST PROFIT

\$100 million net earnings in 2013
Between 2008 and 2011, our rates increased by
41% while executive pay increased 68%.
PNM's top 6 executives earned \$6.9 million
in 2014.

4

CLEAN-UP COSTS

60,000 total air quality violations
\$6.9 million in fines

5

HEALTH CARE COSTS

Lung and heart disease, cancer,
and asthma = \$60 million/year for NM

6

POWER SHUT OFF

For 17,000 New Mexican homes
in 2012

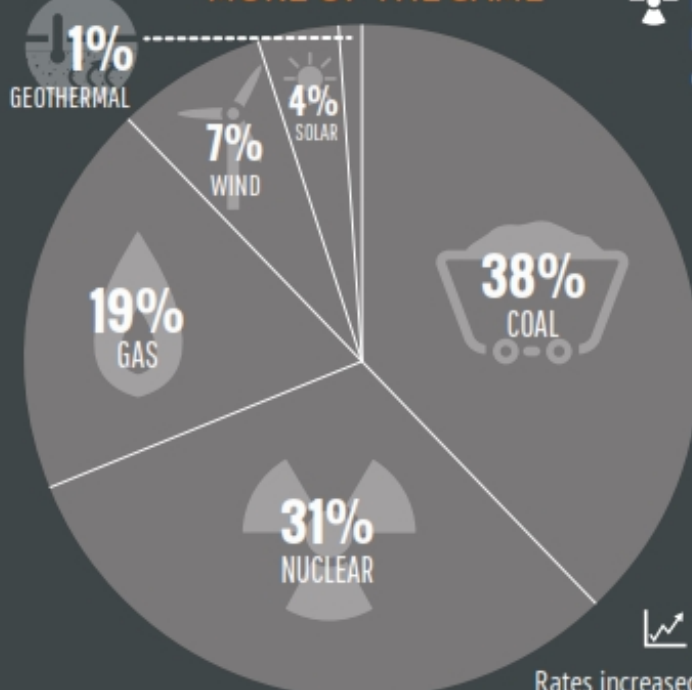
OPPORTUNITY KNOCKS

PNM is forced to close San Juan Coal Units
2 & 3. How will they replace the power?

The replacement plan will determine 17% of the total energy portfolio

PNM'S PLAN

MORE OF THE SAME



MORE COAL & NUKES

PNM's plan ignores rising prices, regulations, and
cleanup costs: poor investment.



SHAREHOLDER BAILOUT

\$257 million for failed investments.



PROGRESS BLOCKED

Only 2% solar and
0% wind added to
energy
profile.



RATE HIKES

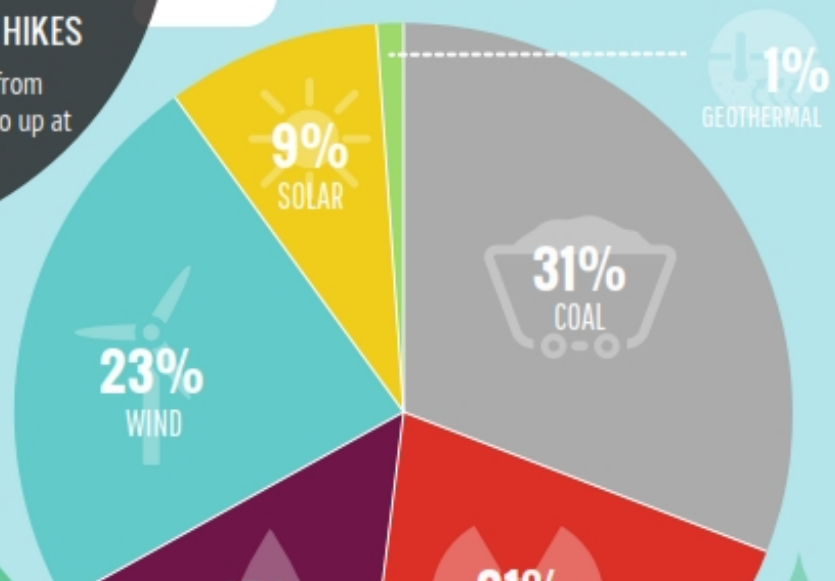
Rates increased 41% from
2008-2011 and will go up at
least another 25%
by 2018.

\$ EXPENSIVE

Nuclear costs 7.9¢/kWh, coal
is 6.9¢/kWh and rising.
Meanwhile solar costs 6.8¢/kWh and
wind is just 3.7 ¢/kWh.

A BETTER PLAN

THAT PROTECTS OUR
POCKETBOOKS AND OUR HEALTH



15%
GAS

21%
NUCLEAR

WHAT NEW MEXICANS WANT

A Safer, Cleaner, and Healthier New Mexico

<h3>RUN ON RENEWABLES</h3>  <p>NM has 2nd best solar and 11th highest wind potential in the US.</p>	<h3>CONSERVE WATER</h3>  <p>The alternative plan saves 1.34 billion gallons of water per year.</p>	<h3>SAVE MONEY</h3>  <p>Solar and wind are cheaper today than coal and nuclear.</p>
<h3>STABILIZE RATES</h3>  <p>Solar and wind have no fuel costs. Fossil and nuclear fuel prices are volatile and subject to costly environmental regulations.</p>	<h3>CREATE JOBS</h3>  <p>More solar was installed in the US in the last 18 months than the 30 years prior, creating thousands of family-supporting jobs for the U.S. workforce.</p>	<h3>ALIGN WITH OUR VALUES</h3>  <p>Sourcing our power renewably expresses our values of stewardship and sustainability.</p>


Tell the Public Regulation Commission you support an alternative replacement power plan with no new coal or nuclear and insist on 33% renewables!

Sign a petition and learn more at www.newenergyeconomy.org
Follow us on Facebook at [NewEnergyEconomy](#).



new energy economy
Addressing the Climate Challenge
With Bold Solutions

Do you like this page?

 Like Be the first of your friends to like this.

 Tweet

 G+1

SIGN UP

EVENTS

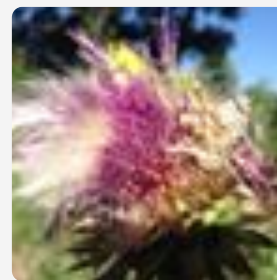
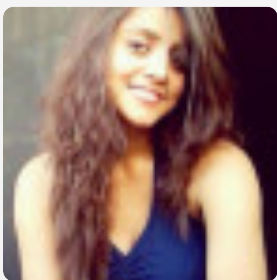
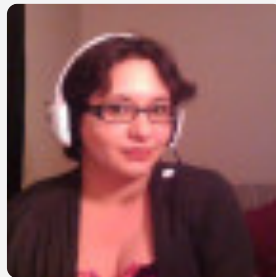
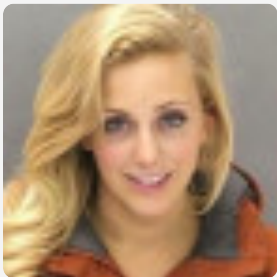
DONATE

CONNECT

You can join us using



PULSE



Robert Shrephy just joined.



New Energy E...

1.7K likes



Liked

You and 72 other friends like this



Follow @NewEnergyNM

343 East Alameda Santa Fe, NM 87501

newenergyeconomy@gmail.com

(505)989-7262

SIGN IN WITH [FACEBOOK](#), [TWITTER](#) OR [EMAIL](#).
CREATED WITH [NATIONBUILDER](#) – THEME BY [TECTONICA](#)

[ABOUT US](#)

[OUR STRATEGY](#)

[CURRENT CAMPAIGNS](#)