

Objective:  
To position New  
Mexico as a  
national leader in  
energy and natural  
resources  
management.



# Energy, Minerals & Natural Resources Department

Sarah Cottrell Propst, Cabinet Secretary

***New Mexico's Clean Energy Future:***

***Key Partnerships and Strategic Vision***

# Today's NM electricity policy objectives

Provide clean, affordable, resilient, reliable electricity.

- Decarbonize electricity generation.
- Strategic investments in grid modernization and transmission.
- Increase regional coordination & cooperation
  - Western Energy Imbalance Market
  - Day-ahead market
  - Regional Transmission Organization (RTO)
  - Transmission planning
- + **Today's Topic:** Grid (or capacity) firming to keep the grid stable while integrating high levels of intermittent resources.



## We set the stage in 2019, with the Governor's Executive Order 2019-003:

- Established a goal of reducing statewide greenhouse gas emissions by at least 45% by 2030 compared to 2005 levels.
- Committed New Mexico to joining the US Climate Alliance.
- Created the New Mexico Climate Change Task Force.
- Directed multiple agency climate regulatory actions.
- Laid the foundation for the Energy Transition Act (ETA).



# Energy Transition Act (2019)

- Securitization
- Replacement power
- Renewable energy and zero-carbon standards
- Apprenticeships
- Community assistance funding from bond proceeds



# Energy Transition Act – Portfolio Standards

- 40% renewable energy by 2025
- 50% renewable energy by 2030
- Public Regulation Commission oversees compliance

## FOR UTILITIES:

- 80% renewable energy by 2040
- 100% zero carbon resources by 2045 as long as safety, reliability and impacts to customer bills are considered.
- PNM has already stated publicly that it will meet the zero-carbon requirement by 2040.

## FOR RURAL ELECTRIC COOPERATIVES:

- 100% zero-carbon resources by 2050
- Resources composed of at least 80% renewable energy, as long as it is technically feasible, the system is reliable, and is not unaffordable.

## Results: Renewables are powering NM

- In 2022, renewable resources provided 42% of New Mexico's in-state electricity generation.
- That is a five-fold increase since 2015, according the U.S. Energy Information Administration (EIA).



## *SunZia:*

# The largest clean energy infrastructure project in United States history.

- The SunZia Wind and Transmission Projects, both led by Pattern Energy, highlight New Mexico's wind energy capacity.
- The SunZia Wind project, which broke ground last year, encompasses wind farms in Lincoln, and San Miguel counties with more than 3,500 MW of generation capacity.
- The SunZia Transmission project, a 550-mile HVDC project stretching from central New Mexico into Arizona that broke ground in August of 2023, can move more than 3,000 MW of energy.
- Over \$8 billion investment
- 150 permanent jobs + over 2,000 construction jobs during peak construction



Interior Secretary Deb Haaland speaking at the SunZia transmission groundbreaking. Sept. 1, 2023

# Clean Energy is Powering Economic Development

- Meta's Data Center in Los Lunas
  - ~\$2 billion data center investment in New Mexico
  - Broke ground in 2016
  - 400+ operational jobs supported once completed
  - \$4 million+ direct funding to Valencia County area schools and nonprofits
  - Added 635 MW new renewables in NM
- Arcosa's wind-tower manufacturing plant in Belen
  - Announced in March 2023
  - Anticipates 250 NM employees

“We look forward to expanding our manufacturing capacity to New Mexico, where market demand for new wind projects is robust,” Antonio Carrillo, President and CEO of [Arcosa, Inc.](#), said. “Our new facility will strengthen our position in the wind-tower market and enable Arcosa to benefit from growing wind investment in the Southwest. We are pleased to create new jobs in the State of New Mexico, which has been a supportive partner and a strong proponent of wind-energy development.”



Arcosa towers. Source: NM Economic Development Dept.



# NM's Clean Energy Policy Environment

- Grid Modernization Roadmap Act
- Community Solar Act
  - 30% carve-out for low-income customers and service orgs
- Solar Market Development Tax Credit
- The Sustainable Building Tax Credit





# We Need a Modern Power Grid

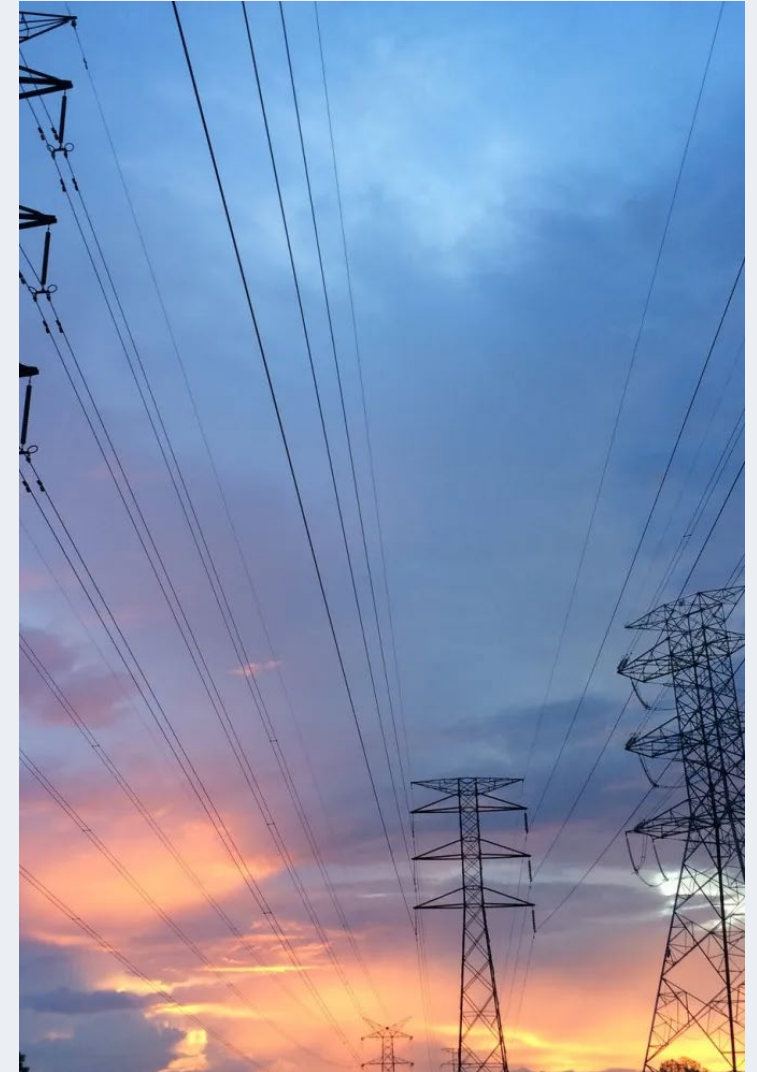
The International Energy Agency issued a report this week that says nations across the world need to build or upgrade 50 million miles of power lines by 2040 to meet their stated goals for:

- Adding renewable energy
- Adopting electric vehicles
- Replacing gas furnaces with electric heat pumps.

The report also says this modern grid will have to be more resilient and flexible, which includes accommodating energy storage.

# We Need a Modern Power Grid

- The Legislature passed the Electric Grid Modernization Roadmap Act of 2020.
- A provision of the act directed EMNRD to establish a grant program to fund Grid Modernization Pilot Projects.
- These projects should demonstrate how a modern grid can:
  - Integrate renewable electric generation resources and/or
  - Enhance electric distribution or transmission grid reliability, grid security, demand response capability, customer service or energy efficiency or conservation.



# We Need a Modern Power Grid

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New Mexico is addressing this issue:

- The PRC requires investor-owned utilities to incorporate long duration energy storage (LDES) into their 2020 - 2040 Integrated Resource Plans.

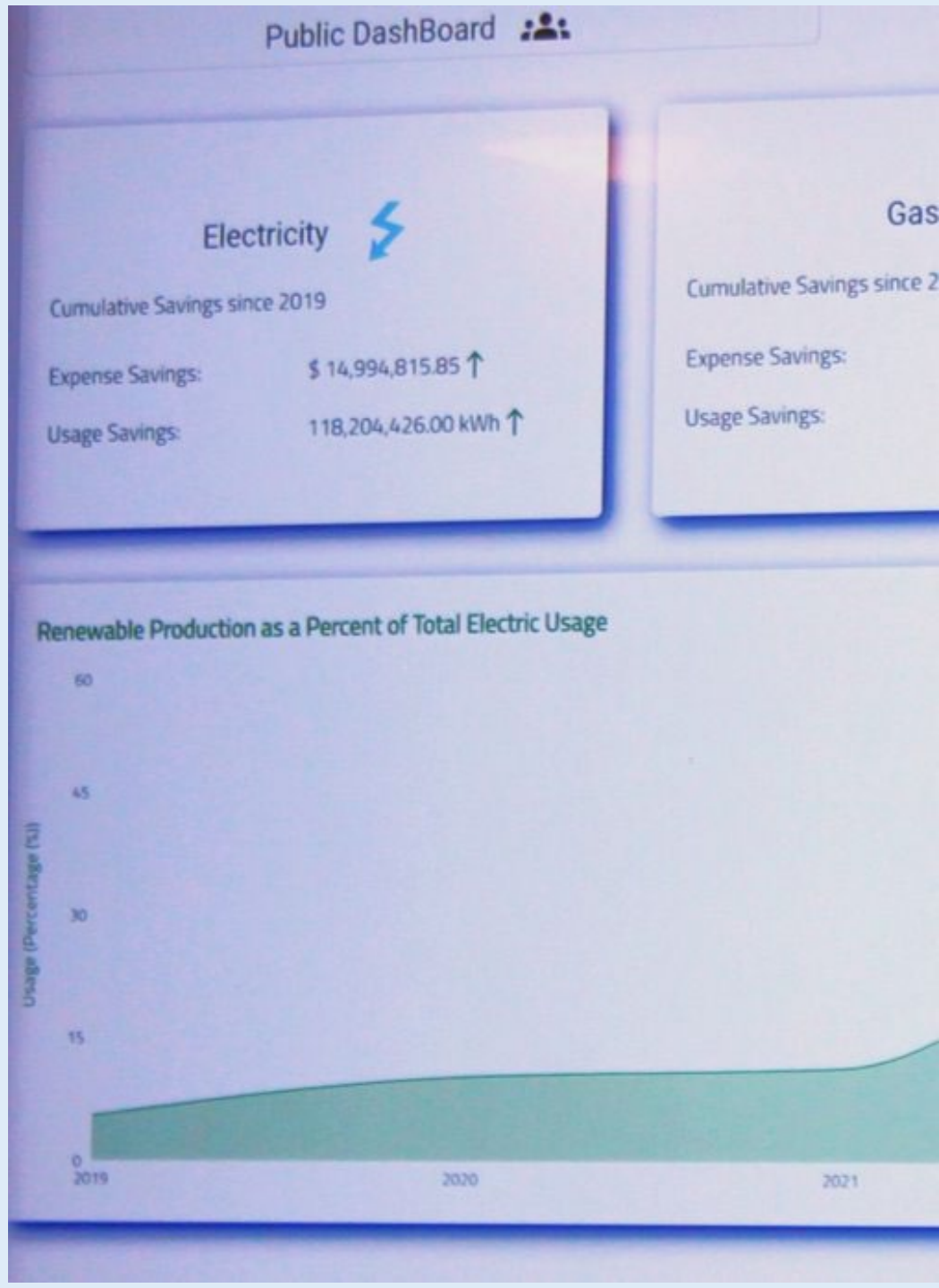


# Grid Modernization Pilots

EMNRD combined federal (Bipartisan Infrastructure Law), state, and local dollars to fund multiple grid modernization pilot projects.

## EMNRD Grant Awards FY22-23

- City of Albuquerque - Total Award: \$301K  
 Total Project: \$600K
  - 'BRAIN' - *Balanced Resource Acquisition and Information Network*
  - Energy database
  - Real-time demand response
  
- Northern New Mexico College - Total Award: \$220K
  - *Resilient El Rito* project, El Rito campus
  - Microgrid feasibility and design studies
  - 1.5 MW solar + 2 MWh battery storage

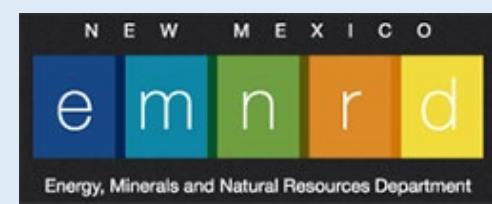


# Grid Modernization Pilots

## EMNRD Grant Awards FY24

- City of Aztec      Total Award: \$170K  
                            Total Project: \$360K
  - *Solar PV + Energy Storage* project
  - **Supports San Juan County energy transition**
  - 2 MW solar + 4 MWh battery storage
  
- New Mexico State Univ. - Total Award: \$118K
  - *Statewide Customer Choice Survey*
  - Transportation electrification
  - Identify utility customer choice factors





# Public Regulation Commission

Partnership on Regional Transmission Organizations (RTOs) and Grid Modernization

## Regional Transmission Organization Inquiry

- PRC Case No. 23-00268-UT
- NM investor-owned utilities
- Stakeholders and Cooperatives invited
- Workshop held September 21<sup>st</sup>
- IOUs, RETA, and other Stakeholders provided comments

An RTO could have many benefits like cost savings and efficiencies, while implementing two important market functions: a Single Balancing Authority and Centralized Transmission Planning.

## Grid Modernization Workshop Series

- PRC workshops in 2022
- Participation by IOUs, EMNRD, RETA, and other Stakeholders
- EMNRD initiated action on Grid Modernization, 2020-2021:
  - Convened Advisory Group
  - Issued Roadmap and Baseline reports
- Workshops documented in Gridworks Report (2022)



# Partnership with DOE and EPA

## Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA)

- Electric Grid Resilience Upgrades
  - New Mexico award: \$35 million
  - BIL Section 40101(D) formula grant
  - State & Local funds/in-kind match
  - Managed by EMNRD Energy Conservation and Management Division (ECMD)
  - State/local governments & tribal organizations
  - RFP expected November 2023
- Project Goals
  - Reduce outages caused by natural hazards
  - Resilience measures using renewables and grid modernization
  - Strengthen community resilience
  - Grow resilience and sustainability workforce
- More Opportunities Coming!
  - \$250 million Solar For All application
  - IRA funding
  - Managed by EMNRD's Energy Office

EMNRD has \$500 million in BIL  
and IRA funding applications.  
*More innovation for New Mexico.*



# Renewable Energy Transmission Authority

Partnership on Transmission & Storage Development

## Regional Participation

- EMNRD and RETA
  - Recognized leaders in grid development
  - Input sought frequently for grid forums

## Joint Expertise for New Mexico

- EMNRD
  - Broad clean energy innovation
  - State DOE conduit - *Funding*
- RETA
  - Transmission development facilitator
  - Renewable energy developer conduit – *Economic Development*

RETA transmission development: 800 MW of wind interconnected. A *staggering* 8,500 MW of new renewable transmission capacity is next.

RETA has facilitated \$2 billion in renewables and grid infrastructure, with \$16 billion more in construction or advanced development. *Tremendous economic development for New Mexico.*

# Looking Ahead

- Additional regional cooperation work
  - CREPC (Committee on Regional Electric Power Cooperation)
  - WIEB (Western Interstate Energy Board)
  - EMNRD, PRC, RETA
- Energy storage next steps from this conference
- Decarbonizing the transportation sector, starting with:
  - Governor's Clean Car and Truck Rule
  - Hydrogen development
  - Zero-emission executive order for the state vehicle fleet
- Training programs to prepare New Mexicans for the renewable and energy efficient economy.
- Administering lots of BIL/IRA funding for grid modernization and clean energy transition



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# Thank you

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