

Energy Transition Act Explained



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2017 - PNM Announces Closure of the San Juan Generating Station



- Four coal-fired stacks and adjacent coal mine.
- Stacks 2 & 3 shut down in 2017 as a solution to Haze violations.
- PNM announces full closure.
- Stacks 1 & 3 shut down in 2022.
- All stacks were demolished in August.



How could we ease this hard landing?



Renewables in the impacted area. Tax base, jobs.



Savings for customers through securitization.



Worker, County & Clean Up Funds

RPS: Nation-Leading Renewables Requirements

For Investor Owned Utilities

- 50% by 2030
- 80% by 2040
- 100% by 2045



Reduced emissions, health improvements, customer savings, tax base.

How are the Investor Owned Utilities doing?

Table 1: Utility RPS Projected Compliance 2024 and 2025⁷

Metric	Year	PNM	SPS	EPE
RECs Required (GWh)	2024	1,596	2,201	356
	2025	3,276	4,940	717
RECs Excess/(Deficiency) (GWh)	2024	1,687	1,576	34
	2025	2,754	-1,228	10
Percent Requirement	2024	20		
	2025	40		
Percent Met	2024	41.14	34	21.9
	2025	73.63	40	40.6

Source: Utility RPS Reports 2023-24

Replacement for San Juan Coal Power

- 100% renewables and battery
- All in the Four Corners
- Billion dollar investment in the impacted area
- **Challenges:** Supply Chain



100% Renewable and Battery Replacement

- **Operational:** 300 MW of solar and 150 MW of battery storage in McKinley County (Arroyo)
- **Operational:** 50 megawatts of solar and 20 megawatts of battery storage on Jicarilla Apache lands in Rio Arriba County.
- **Operational:** JD Shaw/San Juan Solar: 200 MW of solar and 100 MW of battery in the Central Consolidated School District
- **Remaining:** Rockmont Solar apparently acquired to cover remaining 100 MW of Solar and 30 MW of battery

Replacement Energy in the School District



- Energy built in the county.
- Construction jobs.
- This replaces the tax base the school district depends on.
- Renewable alternative was the cheapest. But PRC also had flexibility
- The replacement energy had to be approved by the PRC.
- They have to prioritize environmental impact, local **workforce** and need.
- The PRC could request a different proposal.
- **Challenge:** Replacing Rockmont.

Customer Savings



DUE DATE	AMOUNT DUE
12/12/2023	\$37.02
ACCOUNT NUMBER	
116039055 - 0248965 - 1	

**Average
monthly
savings of
\$9.28**

Challenge: getting PNM to release the funds.

YOUR CURRENT ELECTRICITY CHARGES							
Meter Read	Meter Read Date	Days Billed	Meter Present	Meter Previous	Meter Constant	Total kWh	Rate
Actual	11/16/2023	29	39076	- 38846	X 1.000	= 230.000	1A
Electricity You Used			Block 1			230.000 kWh@ \$ 0.0779432	\$17.93
Fuel Cost Adjustment:							
Non-Renewable: 76.3% of kWh						175.490 kWh@ \$ 0.0502457	\$8.82
Renewable: 23.7% of kWh						54.510 kWh@ \$ 0.0000000	\$0.00
Renewable Energy Rider						230.000 kWh@ \$ 0.0056760	\$1.31
Transportation Electrification R53						230.000 kWh@ \$ 0.0001237	\$0.03
Customer Charge							\$7.11
Cost-Effective Energy Saving Prog.				3.409%			\$1.20
San Juan ETA Settlement Credit							-\$8.64
City/County Franchise Fee				3.000%			\$0.83
Gross Receipts Tax							
State				4.8750%			\$1.39
County				1.1875%			\$0.34
City				1.5625%			\$0.45
Current Electricity Charges							\$30.77



The bill helps workers in 3 ways.

#1 - Severance Funds for both plant and mine workers

PNM Table HEM-8 ⁶⁷ Summary of Job Training and Severance Cost <i>\$ in millions</i>		
1	10.4	PNM/PNMR Severance
2	1.3	PNM Job Training
3	7.4	Coal Mine Employees Severance
4	1.5	Coal Mine Employees Job Training
5	20.6	Total Training and Severance Cost
6	20.0	Cap Pursuant to Energy Transition Act
7	0.6	Amount Over Cap (Not Requested for Recovery)

Challenge: Mine works and owners are at the Labor Relations Board and the funds have not been issued.

#2 - Apprenticeships and Worker Retraining



Creates apprenticeship program
for New Mexico workers in all
new energy projects, prioritizing a
diverse workforce

Challenge: Ensuring the positions are
created. PRC or DWS?



San Juan County Training & Apprenticeship Opportunities

Energy Transition Act Displaced Worker
Assistance Fund Phase 2

www.dws.state.nm.us/ETA

- **Wage Differential Program** – Offers a one-time wage differential payment to workers who are re-employed full-time but are earning lower base wages than they earned before the closures, payment is subject to taxes.
- **Direct Training Program** - The ETADWA Program will pay for up to two-years of instruction to complete a training program. Can be full- or part-time training with a New Mexico education or training provider to earn an associate degree, bachelor's degree, master's degree, certification, or short-term occupational training that results in an industry-recognized credential.
- **Apprenticeship Program** – Apprenticeships are “earn while you learn” programs that provide on-the-job experience and related technical instruction. The ETADWA Program will pay for the costs of technical instruction directly to the registered apprenticeship organization, and will subsidize the participant's first year of wages with their sponsoring employer.

About Phase 2

The New Mexico Department of Workforce Solutions (NMDWS) has launched Phase 2 of the Energy Transition Act Displaced Worker Assistance (ETADWA) Program, aimed at helping people who lost their jobs in connection with the closure of the San Juan Generating Station and Westmoreland Mine. Phase 2 is available to eligible displaced workers who have not retired and will give participants the option of choosing between a one-time wage differential payment or a program that will support training, education or apprenticeship for up to two years. Contact us to learn more!

Contact Us

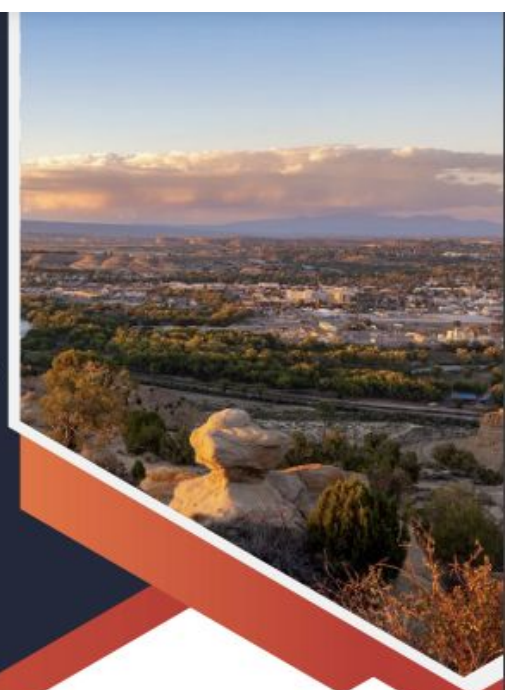


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New Mexico
Workforce Connection

A Proud Partner of the American Job Center Network

The New Mexico Department of Workforce Solutions is 85% Federally funded with (\$106,960,200), and 15% (\$18,543,600) financed by non-federal sources in state fiscal year 2024.



#3 - Community Transition Funds via Agencies



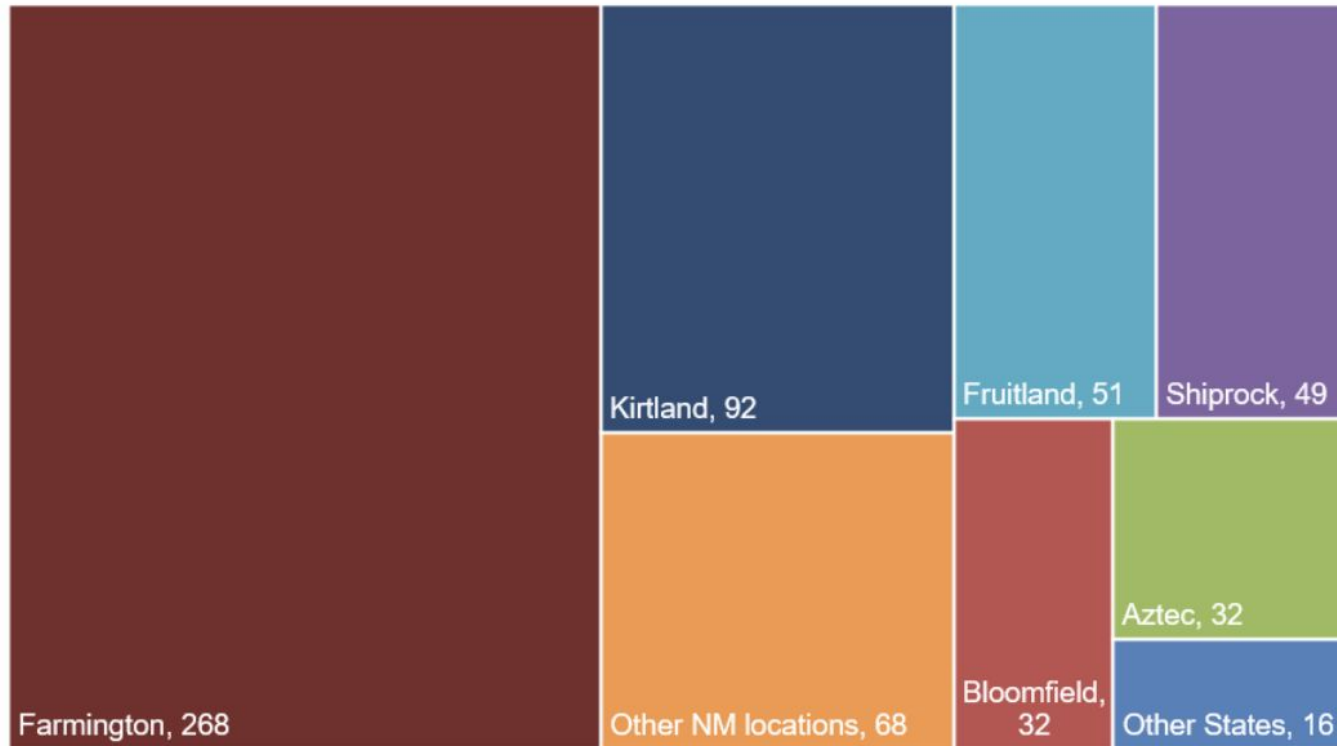
Challenge:

Getting the funds spend on the right projects.

July 28, 2022, PNM transferred:

- \$1,805,000 - Indian Affairs Department
- \$5,956,500 - Economic Development Department
- \$12,093,500 - Workforce Solutions Department
 - Governor adds \$15,000,000 in Junior Money.

Workers' Locations



96% in San Juan County



Direct assistance payments of \$40,000, 571 participants, 51 in “reserve”



Awards \$5.9 M

- **Northern New Mexico Indigenous Farmers Inc. Shiprock, N.M.** - \$3,638,375 - The award provides the majority of funds needed to replace the Hogback Water Pumping Station and a solar-powered pumping station with microgrid and energy storage capabilities.
- **C&E Concrete, Grants, N.M.** - **\$977,465** - The grant will facilitate the development of three photovoltaic (PV) systems across C&E Concrete's facilities in Grants, N.M. with a total capacity of 245 kW.
- **City of Farmington, Farmington, N.M.** - **\$1,036,861** - EDD has elected to make a partial award to the City of Farmington in support of its solar generation and battery storage proposal.
- **Purple Adobe Lavender Farm, Abiquiú, N.M.** - **\$187,298** - The award supports a project with Positive Energy Solar for the installation of three separate solar arrays located at the [Purple Adobe Lavender Farm](#) in rural Abiquiú.

Cleanup.



Provides \$30 million for cleanup
and remediation (in addition to
existing cleanup funds)

- PNM ratepayers have already paid \$100 million toward mining reclamation.
- The 7 other past and present owners have collected too.
- There's another roughly \$102 million in federal bonds for reclamation of the mine.
- ETA includes an added \$30 million toward cleanup.
- The PRC has capped PNM's collection of funds from ratepayers for reclamation at \$100 million. The remainder comes from shareholders.
- Awaiting EMNRD and NMED studies.



From Acme to Enchant to...

- Millions spent on economic and technical viability.
- Expensive project, expensive energy
- CCS expensive, unproven and dangerous.
- Basically mining tax credits.
- Now trying at the Four Corners Plant