

# Preparing New Mexico for Growth

Jason Espinoza

Executive Director, New Mexico IDEA

Elisha Saavedra

Director of Customer Marketing & Economic Development, PNM



## **High-quality job development across the State**

More opportunities for our children within our beautiful State

Opportunities to reduce poverty and improve quality of life



## **Industry diversification and increased tax base**

Self-sustaining, value-add investment back into our communities throughout the State - in rural & urban areas (education, roads, community services, and more)

**Creating Opportunity for All New Mexicans through Economic Development**

# 2024 Top Factors Influencing the Site Selection Industry

76%

Workforce / Labor  
Availability

74%

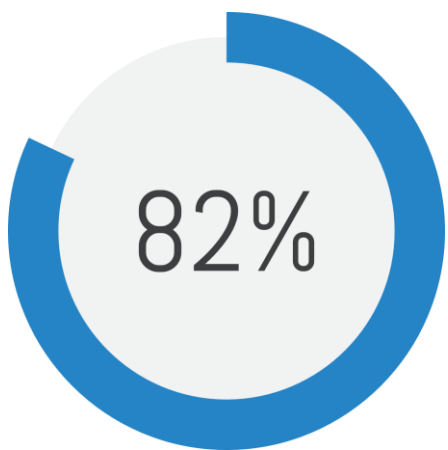
Utilities & Infrastructure

60%

Availability of  
Development Ready Sites

# READY TO GO SITES ARE CRITICAL

Ready-to-go sites, buildings and utilities are also top reasons for companies relocating to other states.



## 2024 State of Site Selection

of Guild members strongly agree that for industrial projects, the availability of development-ready sites with sufficient infrastructure capacity is the top location driver in 2024.

# Unprecedented Opportunity is here if We Can Act Quickly



## Unprecedented growth opportunity nationally, driven by power-heavy customers

Green power manufacturing  
Electric vehicle mandates  
On-shoring and re-shoring due to Federal policies

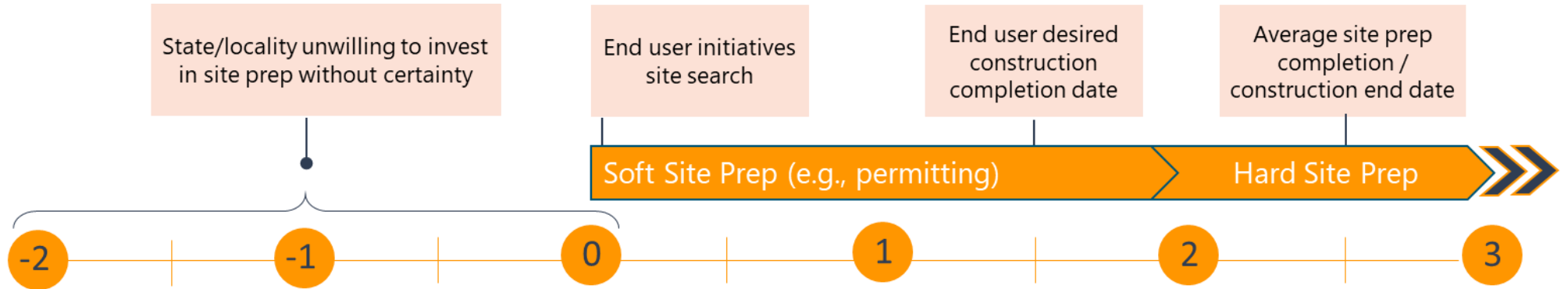


## It's a game of relativity and we are poised for success

Electric utilities challenged nationally to meet growth in demand for energy  
States around us are running out of other resources as well; running out of water, and space  
With so much competition, New Mexico can choose the industries we want

# Reduce Risk By Accelerating the Timeline

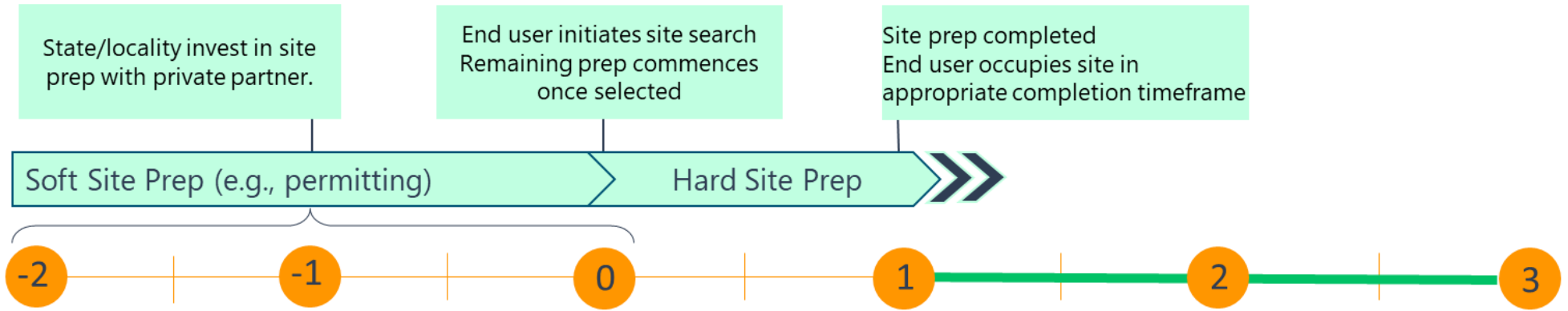
**Current Scenario for Lost Opportunity**



Result: End user locates to facility in another state because Greater ABQ/NM could not complete site prep by desired construction start date.



**Competitive Solution: Accelerated Timeline**



Result: End user locates to facility in Greater ABQ/NM, timeline of development is accelerated by investment into front-end productivity



Estimated count of states with some program at the state, regional, local, or utility level.

# PROGRAM COMMONALITIES

## **Site Characterization**

A process used to evaluate a sites current level of development readiness.

## **Site Development Fund**

Used to further develop site infrastructure, aligned to the previous characterization process.

# PROGRAM RESOURCE RECOMMENDATIONS:





# Site Characterization Program & Pre-Development Funding

This includes the expansion of a statewide inventory and assessment of the cost to develop property infrastructure to serve highest and best uses for target employment locations, and pre-development costs.

**Site Assessment and Due Diligence** - Environmental Assessments, Geotechnical Surveys, & Topographical Surveys.

**Zoning and Land Use Approvals**- Zoning Compliance and Site Plan Approvals

**Infrastructure and Utility Availability** - Water Supply, Sewer/Septic Systems, Electric Power, Natural Gas, Telecommunications

**Site Clearing, Grading, and Drainage** - Land Clearing,, Grading, and Drainage Systems.

**Permitting and Regulatory Compliance** - Environmental Permits & Building Permits

**Estimated Cost for Speculative Site Development:** For a 50-acre site, the total cost to bring the site to a “shovel-ready” state could range between \$500,000 and \$1.5 million depending on the specific needs of the site and location.

# Legislation can make growth and opportunity a reality in New Mexico

## Biggest Challenge: Speed to Market

- Timelines too long (supply chain, approval processes)
- Unable to build fast-enough under our current process (2-3 years)
  - Need to start building before a customer signs a contract
  - Approval process for resources too slow today

## Building in areas with proven interest across the State

- NMEDD to approve location/certify prudence of investment
- Knowledge of projects' locations of interest
- Statewide view of opportunities in both rural and urban areas

## Low-interest loans make capital available to smaller utilities

- Enable state-wide opportunities for investment in power readiness

# A mid-term, low-interest loan program to support smaller utility investments

- ▶ Offer 5-year, low-interest loans that do not go onto customer bills until:
  - ▶ A customer signs up to take service in the area, or
  - ▶ 5 years has lapsed
- ▶ Once a customer signs up/5 years has passed, utility pays the loan back, plus interest.
- ▶ Costs move into utility's recoverable costs and flow into customer rates
- ▶ New customers cover part of the cost from day one, and over time, cover more than the incremental cost to serve them
- ▶ No double-dipping

# Current Processes Make it Difficult for New Mexico to Compete for Growth

- ▶ Most companies want power within 2-3 years
- ▶ Average capacity ask is approx. 250 MW (equivalent to approx. 100,000 homes!)
  
- ▶ Supply chain timelines growing; some equipment timelines up to 3-5 years
- ▶ Currently takes 4-5 years to build new generation
- ▶ Rate Cases take 1½ years to 2 years to receive approval for cost recovery, leaving utilities unable to recover investments for 6 or more years!
  
- ▶ The only way to compete is to start building ahead of customers
  - ▶ Substantial and steadily growing opportunity means less risk
  - ▶ Competing and winning will be transformational for our State
  - ▶ In collaboration with lawmakers/stakeholders

# Permitting Transparency & Timeliness

- ▶ Develop a process similar to the Federal Fast-41, which establishes a new governance structure, set of procedures, and funding authorities to improve and make transparent Federal review and permitting projects.
- ▶ Two main components would be the establishment of a permitting timetable and the administration of the permitting timetable.
- ▶ Example: Within 60 days of Dashboard posting, the facilitating/ lead agency must establish a comprehensive permitting timetable based on recommended performance schedule, and which contains intermediate and final completion dates for action on all Federal environmental reviews and authorizations needed to begin construction.

The background features a series of overlapping, semi-transparent geometric shapes in various shades of blue, ranging from light sky blue to a deep, dark navy blue. These shapes are primarily triangles and quadrilaterals, creating a dynamic, layered effect. The shapes are positioned on the right side of the frame, extending towards the center. The text 'Thank you' is centered on the white background to the left of these shapes.

Thank you