

FORTY-FIFTH LEGISLATURE
FIRST SESSION

March 6, 2001

SENATE FLOOR AMENDMENT number __1__ to SENATE BILL 691

Amendment sponsored by Senator Timothy Z. Jennings

1. On page 1, lines 14 and 15, strike "MAKING AN APPROPRIATION;".

2. On page 2, strike lines 6 through 8 and insert in lieu thereof:

"the economic feasibility of developing, permitting, financing, constructing and operating a coal-fired electrical generating facility in northeastern New Mexico and to identify ways that the state could expedite the construction of the facility."

3. On page 3, line 22, strike "a person" and insert in lieu thereof "and contract with an experienced consulting company".

4. On page 3, line 22, strike "financing" and insert in lieu thereof "developing, financing, permitting,".

5. On page 3, strike line 25 and on page 4, strike lines 1 through 19 and insert in lieu thereof the following new subparagraphs:

"(a) a market study analyzing the current and projected demand and supply of electricity in the state of New Mexico and relevant parts of the western systems coordinating council and the electric reliability council of Texas. The analysis shall include projected market prices for power under multiple scenarios of customers that could be served from the proposed facility;

FORTY-FIFTH LEGISLATURE
FIRST SESSION

SF1/SB 691

Page 2

(b) a cost estimate, with an accuracy range of plus or minus fifteen percent, for electrical generation from a representative range of possible coal-fired plants consistent with the market study. The cost estimate shall include capital costs, operating costs over twenty years, transmission costs to various markets, an analysis of delivered coal costs and reserves that would be required over the life of the project and other fuel options such as coal bed methane;

(c) a permitting and externality analysis that identifies permit requirements, environmental issues and concerns, regulatory issues, economic implications for the state and impacted communities and other externalities arising from the project. The analysis shall include recommendations to mitigate environmental and other concerns;

(d) a typical development schedule in GANT and critical path formats identifying key activities and milestones, associated durations and precedential relationships;

(e) a site screening analysis that shall first identify possible sites. The candidate sites shall then be screened against such site criteria as: 1) access to high-voltage transmission lines; 2) proximity to inexpensive fuel supplies; 3) railroad facilities; 4) water rights; 5) environmental issues; and 6) other matters that could materially affect this decision. The site analysis shall identify site-specific infrastructure requirements such as transmission lines or rail spurs as well as site-specific environmental and other permitting issues;

(f) financial projections in standard income statement, balance sheet and cash flow formats determining whether the rate of return on invested capital and debt coverage ratios are sufficient to attract the necessary capital investment. An additional analysis shall be done of the required high-voltage transmission system that will either have to be constructed or upgraded to serve the proposed facility;

FORTY-FIFTH LEGISLATURE
FIRST SESSION

SF1/SB 691

Page 3

(g) estimated economic benefits, including multiplier effects, of the proposed project for northeastern New Mexico; and

(h) a discussion on ways that the state could encourage the development of the project, including the following concepts: 1) direct investment by the state; 2) providing financing; 3) providing a guaranteed market and price for the output of the plant; 4) tax holidays; 5) providing land or water rights; 6) providing a predictable and streamlined permitting process that still complies with all state and federal regulations; 7) alternatives to the proposed facility that may stimulate economic development; 8) other issues identified by the electrical generation study committee or the contractor; and 9) each task shall include an effort to solicit input from key parties-in-interest. The study shall be presented in a written report as well as through presentations to key parties-in-interest;".

6. On page 5, lines 13 through 19, strike Section 2 in its entirety.

7. Renumber the succeeding section accordingly.

Timothy Z. Jennings

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____