

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE MEMORIAL 54

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

David Ulibarri

A MEMORIAL

REQUESTING THE ENERGY, MINERALS AND NATURAL RESOURCES  
DEPARTMENT TO CONVENE A TECHNICAL COMMITTEE TO STUDY NEW  
MEXICO'S CURRENT AND FUTURE ELECTRICAL TRANSMISSION  
INFRASTRUCTURE NEEDS AND REQUESTING THE TECHNICAL COMMITTEE TO  
IDENTIFY AN APPROPRIATE STRATEGY TO ADDRESS KEY BARRIERS TO  
ELECTRICAL TRANSMISSION DEVELOPMENT IN FURTHERANCE OF ENABLING  
NEW MEXICO TO REALIZE ITS ENERGY DEVELOPMENT POTENTIAL AND TO  
DRIVE ECONOMIC DEVELOPMENT.

WHEREAS, the development of energy resources to generate  
electricity will breathe new life into rural New Mexico through  
job creation, job training programs and financial investment;  
and

WHEREAS, responsible energy resource development presents  
opportunities to promote energy self-sufficiency and economic

underscoring material = new  
~~[bracketed material] = delete~~

underscoring material = new  
~~[bracketed material] = delete~~

1 development while protecting New Mexico's environment; and

2 WHEREAS, responsible energy resource development will  
3 require construction of extra-high voltage transmission lines  
4 to move power over large geographical distances from remote  
5 locations to consumers; and

6 WHEREAS, transmission projects of this nature provide  
7 improved system reliability, improved infrastructure for  
8 economic development and enhanced diversity of power generation  
9 technologies that lead to lower or stabilized energy costs; and

10 WHEREAS, the New Mexico statute that creates the New  
11 Mexico renewable energy transmission authority requires the  
12 authority to plan, finance, build and operate new electricity  
13 transmission lines and energy storage projects; and

14 WHEREAS, Senate Memorial 44, passed in the first session  
15 of the forty-ninth legislature in 2009, requested the board of  
16 the New Mexico renewable energy transmission authority to  
17 identify renewable energy resource zones and potential  
18 corridors to accommodate those identified zones; and

19 WHEREAS, in order to ensure the long-term reliability of  
20 New Mexico's bulk power system and to advance the energy policy  
21 goals of the state, a workable mechanism is needed to identify,  
22 allocate and recover costs, determine appropriate sites, obtain  
23 necessary permits and construct electrical transmission in a  
24 coordinated fashion; and

25 WHEREAS, transmission planning processes in the state must

.185854.1

underscored material = new  
~~[bracketed material] = delete~~

1 ensure open, nondiscriminatory transmission service for all  
2 generators, and consumers and must be coordinated with regional  
3 transmission planning; and

4 WHEREAS, such transmission planning processes will help to  
5 resolve transmission queue delays and bring energy generation  
6 online, thereby promoting economic development; and

7 WHEREAS, transmission planning processes in the state  
8 should provide for clear cost allocation policies for new  
9 transmission investment; and

10 WHEREAS, New Mexico is looking to a regional market in  
11 which to sell its excess energy; and

12 WHEREAS, a regional transmission organization is a  
13 federally regulated, independent, nonprofit entity established  
14 to plan and operate the regional transmission assets under its  
15 functional control and provide nondiscriminatory wholesale  
16 transmission service within its defined geographic region; and

17 WHEREAS, regional transmission organizations and similarly  
18 structured organizations have worked to facilitate the  
19 identification and build-out of transmission infrastructure  
20 outside of the state; and

21 WHEREAS, New Mexico has compelling reasons to assess the  
22 impact on the state of three options for statewide independent  
23 planning and functional control of transmission assets,  
24 including joining an existing regional transmission  
25 organization, forming a new regional transmission organization

.185854.1

underscored material = new  
~~[bracketed material] = delete~~

1 or contracting for regional transmission organization services;  
2 and

3 WHEREAS, the state also has compelling reasons to study  
4 the criteria and mechanisms necessary for cost recovery with  
5 respect to planned transmission infrastructure and to identify  
6 how a regional transmission organization would protect  
7 consumers and the environment and facilitate economic  
8 development in New Mexico;

9 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
10 OF NEW MEXICO that the energy, minerals and natural resources  
11 department be requested to convene a technical committee to  
12 study New Mexico's current and future electrical transmission  
13 infrastructure needs, to identify an appropriate strategy to  
14 address key barriers to electrical transmission development to  
15 enable New Mexico to realize its energy development potential  
16 and to drive economic development; and

17 BE IT FURTHER RESOLVED that the executive director of the  
18 New Mexico renewable energy transmission authority or the  
19 executive director's designee be requested to chair the  
20 technical committee; and

21 BE IT FURTHER RESOLVED that the technical committee  
22 membership include one representative designated by the  
23 governor, one representative designated by the speaker of the  
24 house of representatives, one representative designated by the  
25 president pro tempore of the senate, one member representing

.185854.1

underscored material = new  
~~[bracketed material] = delete~~

1 the public regulation commission, one member representing the  
2 electric utility industry, one member representing an  
3 independent transmission company, one member representing an  
4 alternative electric supplier or independent power producer,  
5 one member representing a wind energy association, one member  
6 representing a statewide environmental organization, one member  
7 representing the public at large, one member representing the  
8 oil and gas industry and one member representing the solar  
9 industry; and

10 BE IT FURTHER RESOLVED that the technical committee  
11 consider at least three options for an independent, nonprofit  
12 entity to plan and operate the regional transmission assets  
13 under its functional control and provide nondiscriminatory  
14 wholesale transmission service within its defined geographic  
15 region, including:

16 A. all New Mexico public utilities joining an  
17 existing regional transmission organization that is contiguous  
18 with the state;

19 B. all New Mexico public utilities forming a New  
20 Mexico-based regional transmission organization; and

21 C. all New Mexico public utilities contracting  
22 with a third-party transmission coordinator to functionally  
23 control their transmission systems; and

24 BE IT FURTHER RESOLVED that the technical committee study  
25 and evaluate the following specific criteria for each option:

.185854.1

underscored material = new  
~~[bracketed material] = delete~~

1           A. the cost to the state and its stakeholders,  
2 including rate payers, government agencies, independent power  
3 producers and public utilities;

4           B. the benefits to the state, including potential  
5 job creation, environmental impact, enhanced resource  
6 development, a more efficient regional planning process and  
7 improved ability to coordinate transmission development with  
8 the state's energy vision;

9           C. the benefits of a centralized tariff  
10 administration, more transparent transmission scheduling and  
11 posting, congestion management, market monitoring, transmission  
12 planning, expansion and interregional coordination, ancillary  
13 services management and parallel path flow management;

14           D. the impact to each public utility's  
15 interconnection queue;

16           E. the impact on each public utility's wholesale  
17 operations;

18           F. the benefit of creating more robust interstate  
19 energy markets; and

20           G. any other costs and benefits appropriate to  
21 consider with respect to these options; and

22           BE IT FURTHER RESOLVED that the executive director of the  
23 New Mexico renewable energy transmission authority submit a  
24 report summarizing the findings, conclusions and  
25 recommendations of the technical committee report to the

.185854.1

underscored material = new  
~~[bracketed material]~~ = delete

1 governor and the legislature no later than November 15, 2011;  
2 and

3 BE IT FURTHER RESOLVED that copies of this memorial be  
4 transmitted to the governor, the secretary of energy, minerals,  
5 and natural resources, the executive director of the New Mexico  
6 renewable energy transmission authority and the members of New  
7 Mexico's congressional delegation.