



Transmission Developments in New Mexico

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Ft. Collins, Colorado
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Overview

- State Authorities
- Regional Development being studied in New Mexico
- Los Alamos National Labs Study
- MOU with GSIP
- Eminent Domain Procedures
- High Lonesome Mesa Project

State Transmission Authorities

- RETA was statutorily created in 2007 to start addressing transmission issues in the State
- Eight state-level authorities: NM, CO, WY, KS, ND, UT, SD & ID
- Tasked with planning and financing of transmission lines within their respective states
- RETA has the additional requirement that 30% of power has to be from renewable sources

Regional Development Being Studied

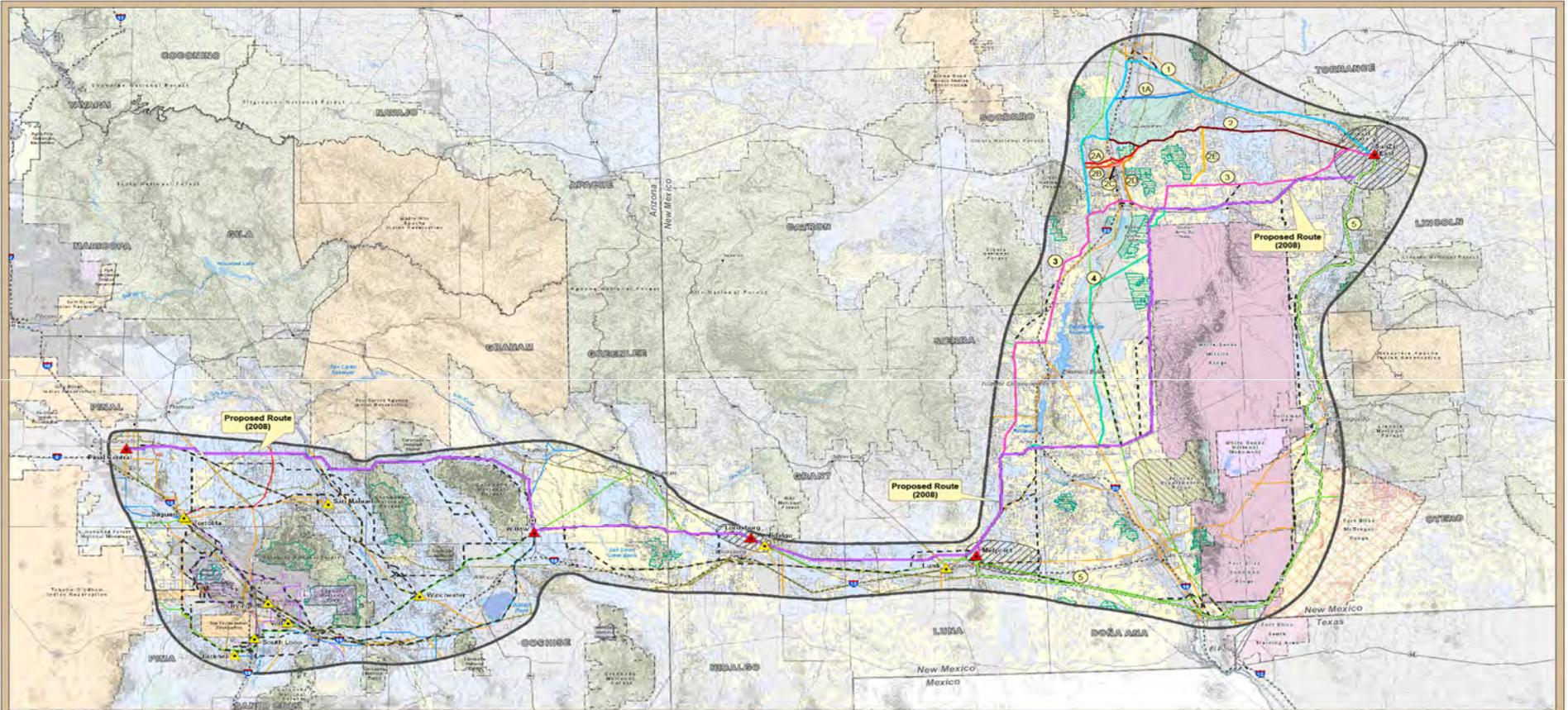
➤ Transmission Development

- High Plains Express - Line from Wyoming to New Mexico
 - www.highplainsexpress.com
- SunZia – Line from New Mexico to Arizona
 - www.sunzia.net
- Lucky Corridor – Line in Northern New Mexico
 - www.luckycorridor.com
- Southline – Line from New Mexico to Arizona
 - www.blackforestpartners.com
- Centennial West – Line from New Mexico to California
 - www.cleanlineenergy.com
- Tres Amigas Superstation – Interconnection of three Grids
 - www.tresamigasllc.com

High Plains Express



SunZia



SunZia Southwest Transmission Project

Land Ownership and Jurisdiction



LEGEND

Land Ownership

- Bureau of Land Management
- U.S. Dept. of Defense
- McGregor Range Withdrawal
- National Park Service
- U.S.D.A. Forest Service
- U.S.D.A. Other
- U.S. Fish and Wildlife Service
- U.S. Bureau of Reclamation
- Indian Reservation
- State/Trust Land
- Local or State Parks
- Private/Other

Base Features

Project Features

- SunZia Proposed Route - Sept. 8, 2008
- Alternative Route Segments

Alternative Routes - Midpoint to SunZia East

- 1
- 1A
- 2
- 2A
- 2B
- 2C
- 2D
- 2E
- 3
- 4
- 5

- Study Area - April 2010
- Substation Siting Area

Utilities

- Proposed Substation
- Existing Substation
- Pipeline (Diameter 6")

- 500kV Transmission Line
- 345kV Transmission Line
- 230kV Transmission Line
- 138kV/161kV Transmission Line
- 115kV Transmission Line

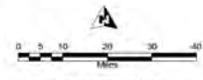
Reference Features

- City
- River/Stream
- Lake/Reservoir
- Urban Area
- State Highway
- U.S. Highway
- Interstate
- Railroad

- County Boundary
- State Boundary
- Jurisdictional Boundary
- Wilderness Area
- Wilderness Study Area (WSA)

Sources:

- AZ BLM 2009
- AZ State Land Department and ALGIS 2009
- ESRI StreetMap 2008, Microsoft RMAP 1999
- NM BLM 2009, Socorro FRMP 2009
- TX County FRMP 2009
- POWERmap, powermap.platts.com
- ©2009 Platts, a Division of the McGraw-Hill Companies
- USGS, EPC, Inc. 2010



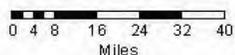
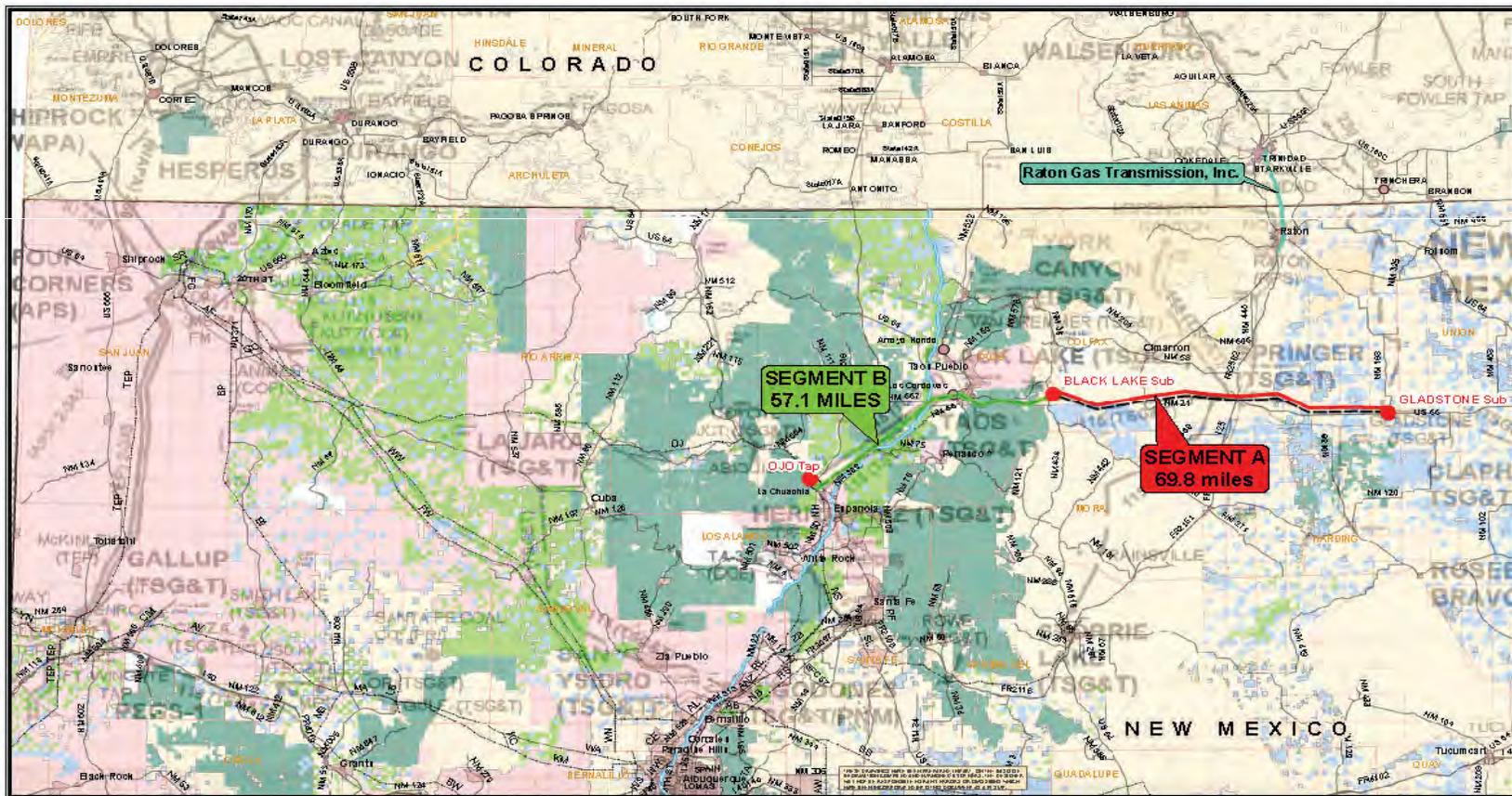
Contour Interval 200 feet

May 12, 2010



Lucky Corridor, LLC.

- Segment B is shown on top of the existing 115 kV line, since the new line will be built on top of the 115 kV line, within Tri-State's existing corridor hosting the 115 between the Black Lake Substation & the Ojo Tap.



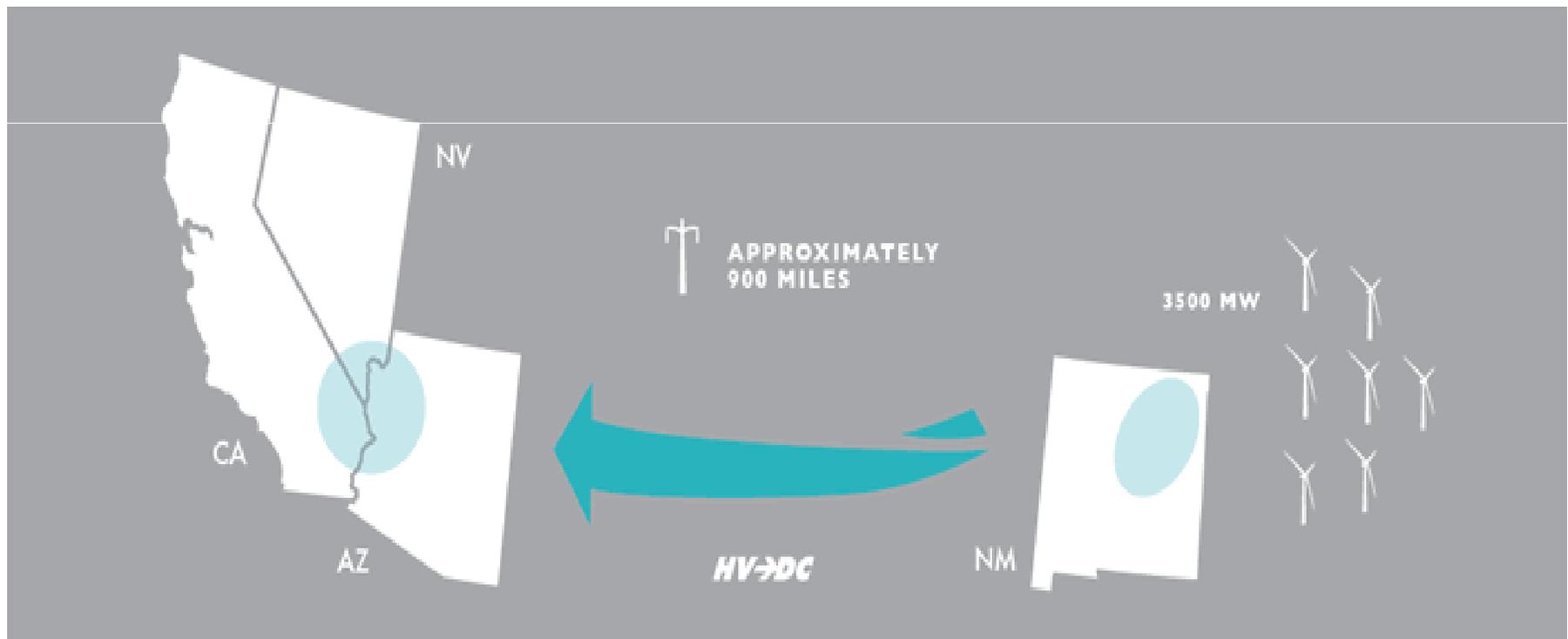
LUCKY CORRIDOR

Legend		Level Ownership		Other	
Red line	CRS	EGC	EP	Water	
Green line	CRS	FC	EP	State	
Blue line	CRS	BOC	EP	SP	
Black line	CRS	ECN	EP	SP	
Grey line	CRS	ECN	EP	SP	
Blue line	CRS	ECN	EP	SP	
Blue line	CRS	ECN	EP	SP	
Blue line	CRS	ECN	EP	SP	

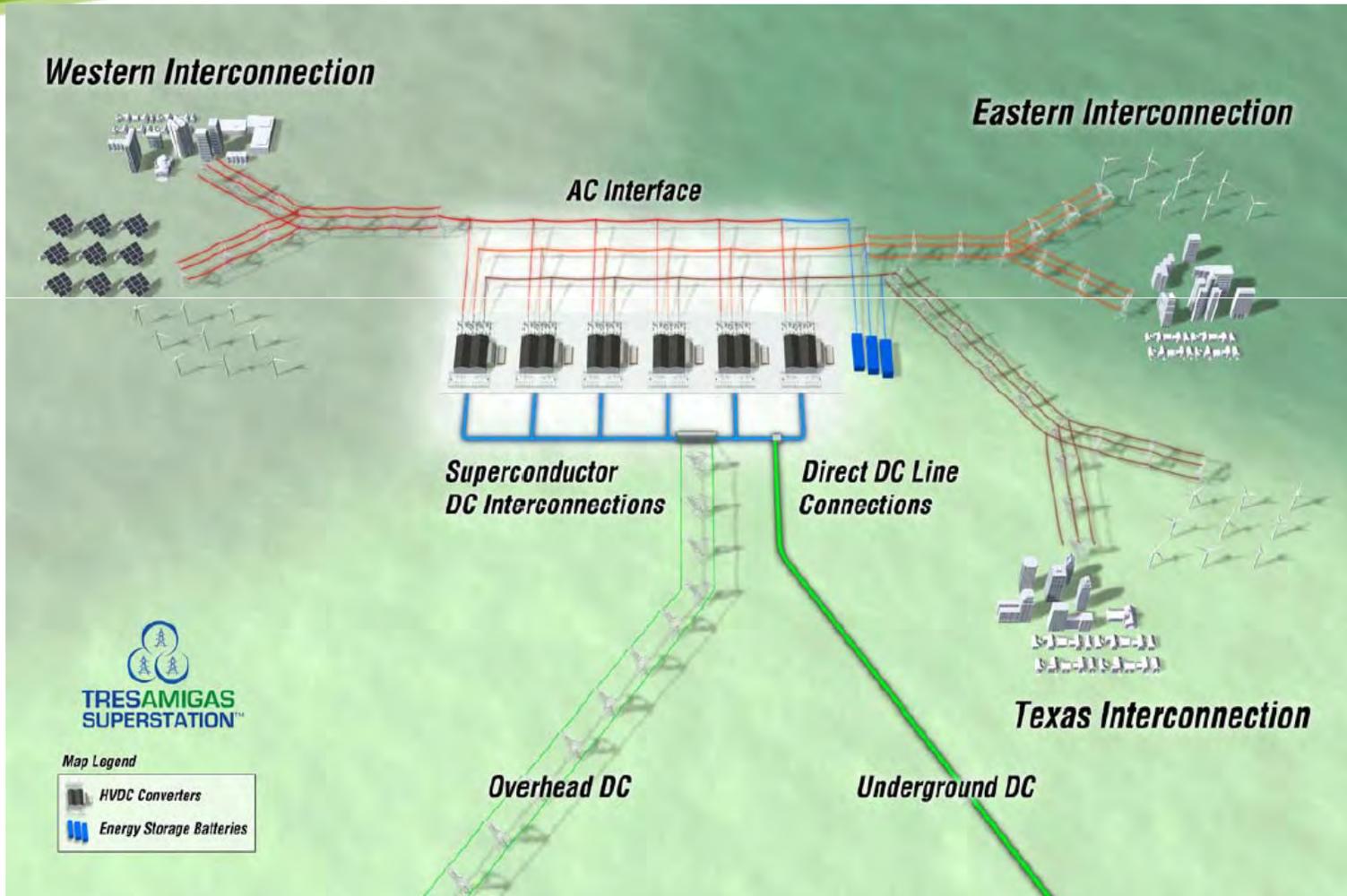
Bohannon + Huston

Centennial West – Clean Line Project

- The route of the Centennial West Clean Line has not yet been determined. The project will begin in northeastern New Mexico and will end in southern California (see illustration below).



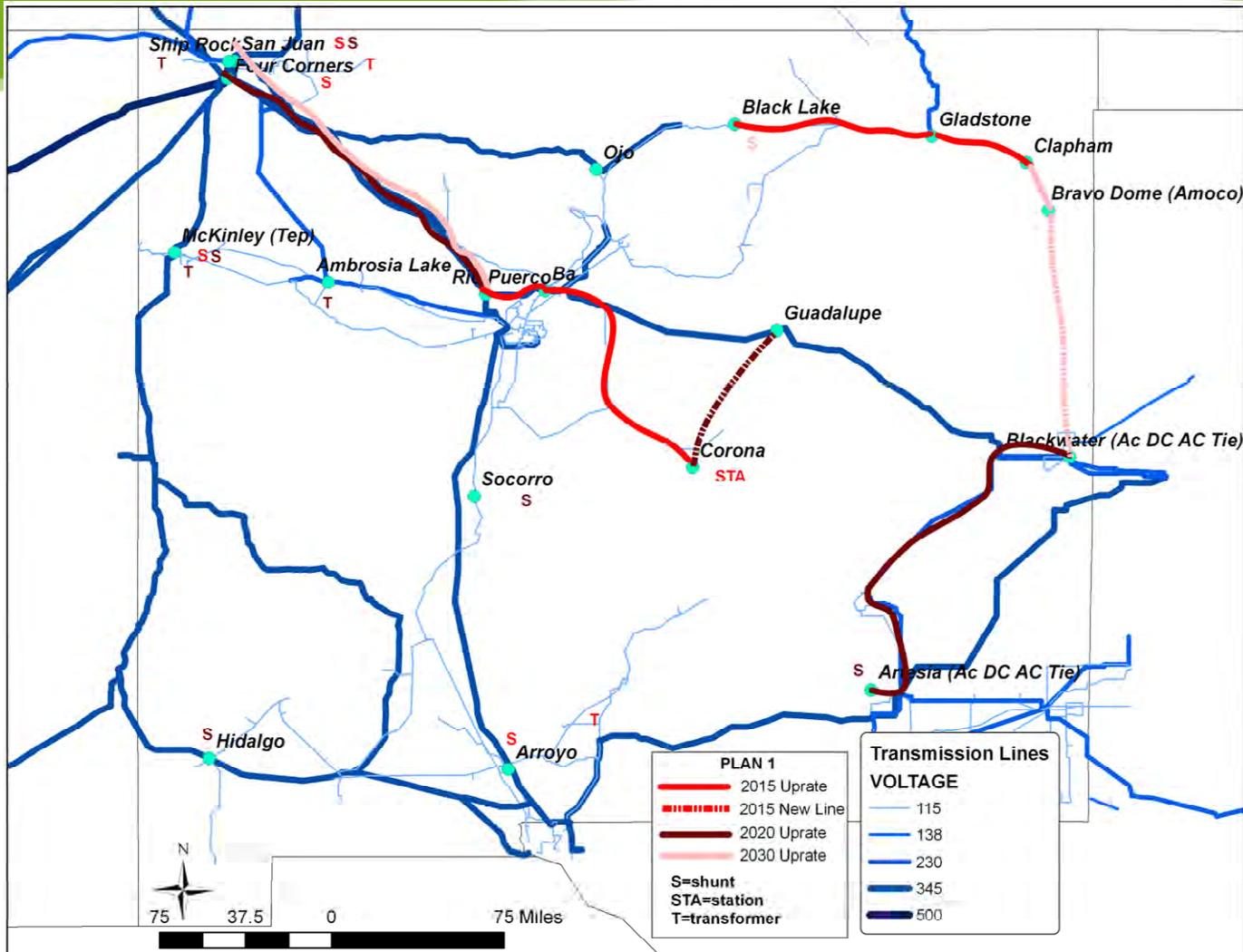
Tres Amigas Superstation



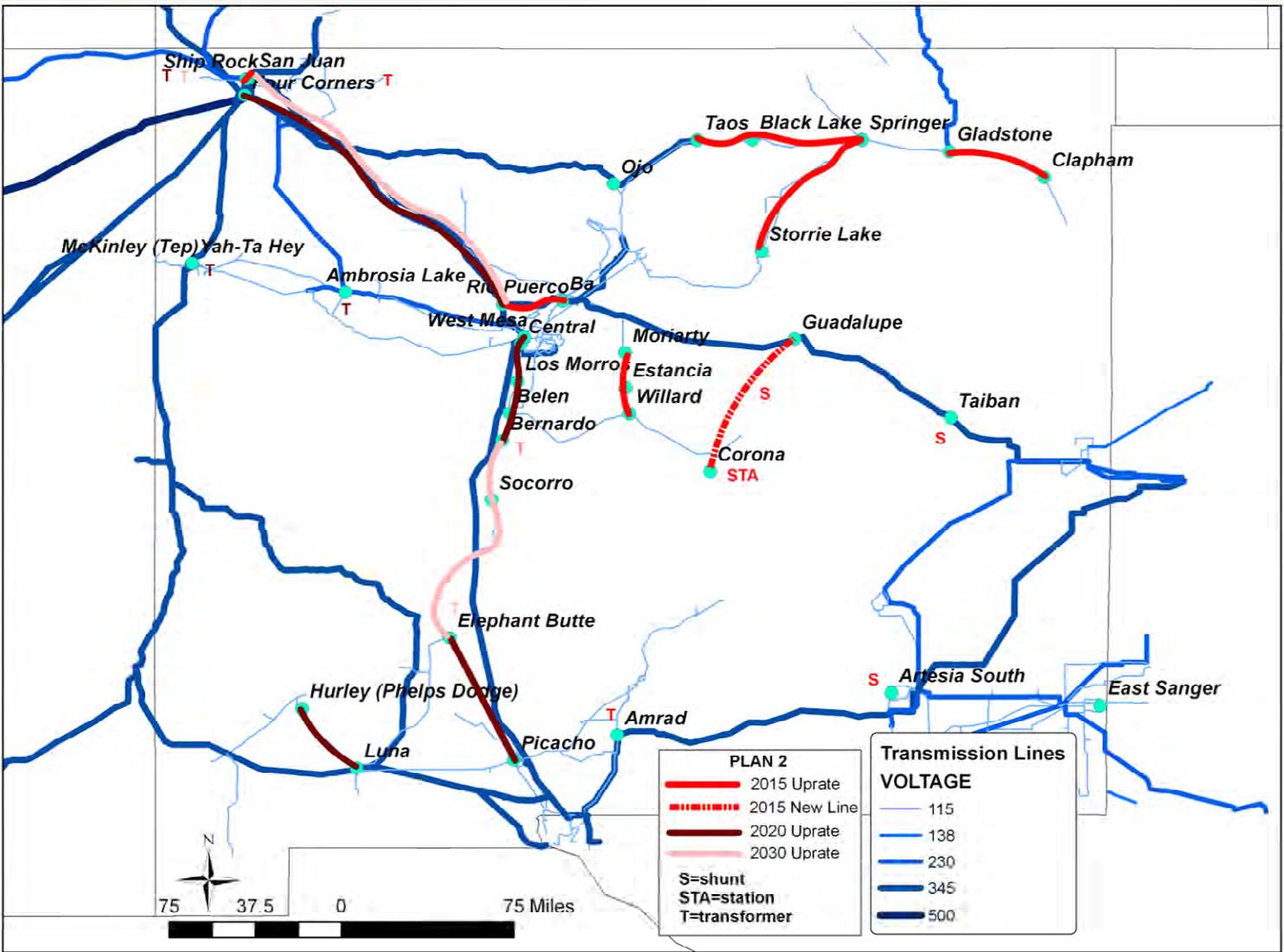
Los Alamos National Labs Study

- Independent study conducted by LANL to evaluate statewide transmission concepts, economic benefits and cost allocation methodology
- The Study Analyzed
 - Two potential systems, looped vs. radial line upgrades, necessary to export 5,200 MW of generation
 - Upgrades on a 5, 10 and 20 year planning cycle
 - Economic benefits and cost recovery options
 - Total direct and indirect jobs that will be created
 - Potential tax implications of each plan
 - Energy tax required to support each potential system

LANL Study – Collector System Plan 1

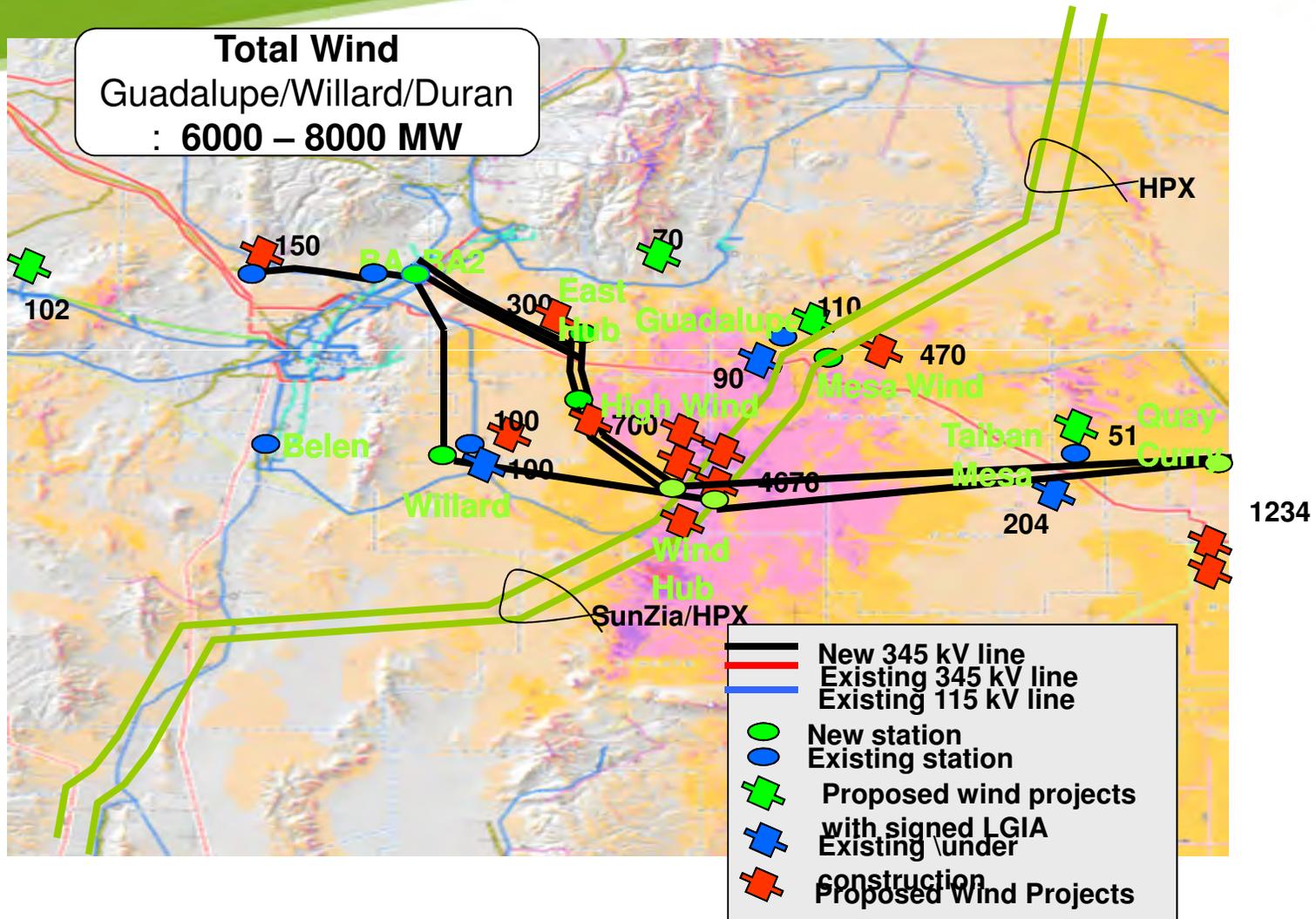


LANL Study – Collector System Plan 2



PNM Collector System

Integration with SunZia and HPX



RETA/GSIP MOU

- RETA Board entered into a Memorandum of Understanding with Goldman Sachs Global Infrastructure Partners II, L.P. on March 30, 2011
- MOU defines partnership to jointly develop a collector system in Central NM
- Project Details: Approximately 183 miles long, 345 kV line with 1,200 MW capacity at a cost of \$350 million
 - Cost includes required upgrades to the PNM system in order to get it to Four Corners for export

RETA/GSIP Timeframe

➤ Project Timeline:

- Phase I: Development (2011-2012) – capacity sales, FERC filing, other regulatory filings, permitting, siting, interconnection studies, environmental work, land owner/public outreach, etc.
- Phase II: Pre Construction (2011-2012) – detailed engineering, Engineering Procurement Construction contractor selection, materials procurement, etc.
- Phase III: Construction (2012-2013)

Eminent Domain

- RETA Statute allows for the use of eminent domain
 - RETA Board approved release of draft eminent domain procedures for public comment on March 30, 2011
- The eminent domain procedures will define
 - The manner in which RETA would use eminent domain for the building of transmission
 - The steps private companies will need to take prior to consideration by the RETA Board
 - A timeline of the process
- Public comment period ended on June 14, 2011
 - A hearing will be held in July by the RETA Board of Directors to adopt the eminent domain rules

High Lonesome Mesa Bond Issuance

- RETA issued \$50 million in bonds on November 18, 2010 to reimburse Edison Mission for equity contributed to its project
- The bonds were marketed and sold as a 144a (Private Placement) to a Qualified Institutional Investor at an interest rate of 6.85%
- Bonds have a 20 year amortization schedule and a 7 year maturity
- A one-time fee of \$550,000 has been paid to RETA for its services

Benefits of High Lonesome Mesa to NM

- The Project created approximately 200 construction related jobs
- 10 permanent operation and maintenance jobs
- Approximately \$19 million will be paid over 30 years for site leases to local land owners
- Approximately \$14 million in Payments-in-Lieu-of-Taxes paid over 30 years to Torrance County and the Estancia Municipal Schools

New Mexico Renewable Energy Transmission Authority

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