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NM Advocates Welcome PRC Unanimous Approval of Plan to Exit San Juan Generating Station

Moving forward from the coal plant and applying the Energy Transition Act will protect ratepayers, Four Corners communities, and New Mexicans' way of life

Santa Fe, NM (April 1, 2020) – A large coalition of New Mexico community, faith, tribal, and environmental advocates today welcomed the New Mexico Public Regulation Commission's (PRC) decision to approve Public Service Company of New Mexico's (PNM) request to abandon or exit the San Juan Generating Station and use low-interest bonds through the Energy Transition Act (ETA) to finance its remaining investment in the plant. The Commission voted unanimously to approve both the abandonment and financing orders.

The low-rate financing authorized by the ETA will reduce customer utility bills, provide millions of dollars of support to coal-dependent communities, create new clean-energy jobs, and protect New Mexicans' way of life. The economic assistance provided by the ETA and the lower electricity rates that will come when the plant closes are important to help support New Mexico families, businesses, and communities amid the current pandemic and economic downturn.

Coalition members are also encouraged by the March 27 initial recommended decision by the hearing examiners in a related case on replacement energy for the San Juan Generating Station. The examiners recommended expedited approval of the Arroyo and Jicarilla solar and battery projects. The examiners rejected the staff recommendation to select PNM's gas-heavy scenario #2, citing the ETA requirement that alternatives have the least environmental impact.

"As PNM transitions to cleaner energy, the closing of San Juan Generating Station provides an opportunity to fundamentally re-define economic development to incorporate renewable energy in the Four Corners Region. This decision by the PRC is progressive in identifying that coal-impacted communities need transition planning and resources now." — **Mike Eisenfeld, Energy and Climate Program manager, San Juan Citizens Alliance**

“Closing the San Juan Generating Station provides a critical opportunity to embark on a clean-energy future – one that invests in our communities, protects our environment, and will lead to a healthier climate for ourselves and future generations. We applaud the PRC for making the right decision for Navajo communities and workers, who are depending on the just transition funding and economic opportunities the Energy Transition Act provides.” — **Wendy Atcitty, NM Energy Organizer, Diné C.A.R.E.**

“Today’s decision to move on from our coal-fired past will lead to cleaner air, cleaner water, and healthier lands. It will also help tribal communities, especially Navajo communities, to diversify our economies and create new clean-energy jobs. We are glad the PRC commissioners listened to our calls to exit the San Juan Generating Station and put New Mexico on a path to achieve the Energy Transition Act’s climate goals.” — **Joseph Hernandez, Diné Energy organizer, Native American Voters Alliance Education Project**

“So much work and discernment has gone into the difficult decision to close the San Juan Generating Power Plant. This decision honors a way forward to care for creation, communities, health, and a new vision for energy which seeks a just transition economy laid out in the Energy Transition Act. Many faith leaders and people of faith applaud this as a moral and ethical action for the Common Good and our Common Home.” — **Sister Joan Brown,osf, executive director, New Mexico Interfaith Power and Light**

“The commissioners’ decision today will result in improved community health, lower bills for PNM customers, and a better climate for our children. The hearing examiners’ separate recommendation to approve 350 MW of solar and 60 MW of battery storage is also an important step toward moving us away from polluting fossil fuels. Our analyses show that expensive coal power can be replaced by 100 percent renewable energy, affordably and reliably.” — **Camilla Feibelman, director, Sierra Club - Rio Grande Chapter**

"The PRC’s decision to exit the San Juan coal plant is welcome news for New Mexicans’ health and hopes for a safe climate. With this move we are closing our state’s biggest single source of carbon-dioxide emissions while setting the stage for a just transition to the cheap, clean, renewable energy that is so abundant in New Mexico.” — **Chuck Noble, attorney, Coalition for Clean and Affordable Energy**

"We applaud the Public Regulation Commission for approving the abandonment plan for the San Juan Coal Plant, which includes funding to support workforce training and economic relief for workers. The Energy Transition Act was unique in its proactive role towards a supported community transition, and it's critically important that New Mexicans impacted directly have financial support and pathways into new career opportunities." — **Ben Shelton, political and legislative director, CVNM**

“We welcome today’s decision by the PRC. With the expected closure of the San Juan Generating Station in 2022, the approval of PNM’s plan to abandon the plant using the financial tools of the Energy Transition Act will lead to lower utility bills, more affordable clean energy generation, and critical economic investments in the Four Corners. It will support healthier communities and ensure

New Mexico does its part to confront the climate crisis.” – **Maria Nájera, government affairs director, Western Resource Advocates**

“The implementation of the Energy Transition Act at this current moment in time is so important. We know that communities exposed to pollution from fossil fuels are at a higher risk for pre-existing medical conditions, and in the midst of this global pandemic it is more important than ever to protect our citizens. The long-term impacts of helping workers, lowering energy prices, and improving air quality cannot be overlooked.” – **Lucas Herndon, deputy director, ProgressNow New Mexico**

“The decision clears the way for New Mexico to move away from coal and towards clean, more affordable energy sources. New Mexico has some of the best renewable energy resources in the world. It’s time to use them.” – **Noah Long, senior attorney, Natural Resources Defense Council**

Following today’s decision, and the likely plant closure by mid-2022, the PRC will next issue its decision regarding replacement of the electricity generated by the San Juan Generating Station. The PRC held a hearing on replacement power resources in January. During the hearing, community, tribal, and environmental groups pressed the commissioners to approve a replacement option that ensures the utility and the state will meet the carbon-reduction goals of the ETA.

Labor unions, environmental advocates, the Navajo Nation, community organizations, businesses, and utilities came together in 2019 to support passage of the ETA. The law paves the way for the retirement of the San Juan Generating Station and will ensure that 50 percent of investor-owned utilities’ electricity is renewable by 2030 and 100 percent is carbon-free by 2045. The law also provides \$40 million in economic assistance for coal miners, San Juan plant workers and the affected region and encourages placing up to 450 megawatts of replacement power in San Juan County, an investment of hundreds of millions of dollars that could help restore lost property taxes after coal plant retirements. Additionally, under the law, future energy generation projects will be required to hire apprentices from diverse and disadvantaged backgrounds, supporting local workforce and economic development efforts. In 2023, the first full year after the San Juan Generating Station’s expected retirement, the ETA will save the average PNM customer about \$80 or more on their annual utility bill.

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