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PNM cites ETA in proposing 100% solar and storage to replace nuclear

Santa Fe, NM - After announcing it would drop one of its leases in the Palo Verde Nuclear plant last year, this month PNM proposed replacing the energy with 100% solar and battery. In support of its proposal, PNM cited the Energy Transition Act's requirements and the Public Regulation Commission's decision last year to choose a 100% solar/storage proposal rather than PNM's favored gas-inclusive replacement scenario for San Juan Generating Station coal. The replacement proposal will need to be approved by the commission.

In selecting carbon emission-free generation to replace Palo Verde, PNM states in testimony (see below) it has taken into consideration "the state's energy transition policies and long-term mandate for a carbon emission-free generation portfolio." While we have yet to delve into all of the details of PNM's application, this is very encouraging and we look forward to supporting PNM's request for prompt approval of replacement resources.

"The Energy Transition Act is working, moving us steadily away from dirty energies and toward clean, affordable renewable energy. PNM's announcement that it wants to replace nuclear energy it holds in Arizona with all solar and battery storage is good for customers because it's cheaper and it's cleaner," said **Camilla Feibelman, Sierra Club - Rio Grande Chapter Director**

"Our coalition advocated for clean and affordable energy. Last July, the PRC accepted our proposal for 100% solar and battery replacement for PNM coal at San Juan, and now we're seeing the same encouraging steps to replace Palo Verde nuclear," said **Stephanie Dzur, attorney for Coalition for Clean and Affordable Energy**

More Details - PNM filed at the Public Regulation Commission seeking to exit ownership of 114 MW of its leased interest in the Palo Verde Nuclear Generating Station, located in Arizona. PNM proposes replacing the nuclear capacity with 100% solar and battery resources: 450 MW of solar power purchase agreements and 290 MW of battery energy storage agreements. PNM stated that customers will save money by replacing Palo Verde with reliable emissions free renewable generation and storage. The new resources will include the Jicarilla Solar and Storage facilities, including 150 MW solar at the low price of \$14.89/MWh (1.5 cents per kilowatt hour) paired with 40 MW of battery storage. The Atrisco Solar facility is 300 MW of solar located on the westside of Albuquerque, paired with 150 MW of battery storage. The Sandia Peak storage facility is the last resource, a stand-alone battery storage system.

PNM's Mark Fenton - testimony supporting their decision cites the Energy Transition Act:

"IN ANALYZING POTENTIAL PORTFOLIOS FOR THE 2023 RESOURCE NEEDS, DID PNM TAKE INTO CONSIDERATION THE CHANGES IN ENERGY POLICIES THAT HAVE BEEN IMPLEMENTED IN THE PAST TWO YEARS?"

Yes. PNM took into consideration the state's energy transition policies and the long-term mandate for a carbon emission-free generation portfolio. PNM also took account of the Commission's decision in approving a replacement resource portfolio for the San Juan coal plant, which was issued after PNM notified the lessors of its intent to turn back the PVNGS leases. In Case No. 19-00195-UT, the Commission applied Energy Transition Act provisions that provided policy guidance for weighing costs, reliability and environmental factors in resource acquisition cases, in the final selection of an all renewable and energy storage resource portfolio over PNM's proposed portfolio that included new gas combustion resources. PNM also recognizes that the Commission places significant weight on the ability over the long-term to comply with statutory energy transition standards for portfolios, as was emphasized in the Commission's decision to deny approval of a proposed new natural gas resource for El Paso Electric Company in Case No. 19- 00349-UT."