

PNM offers good deal on power plant

By Nick Goodman / Chairman and CEO, Cymr Energy
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In the coming weeks, the Public Regulation Commission will vote on PNM's plan to close down two coal-fired units at San Juan Generating Station while keeping two remaining coal-fired units operating.

PNM makes a strong case that this plan will help hold down energy costs, maintain our economy, and meet the state's energy demands.

Recently, parties to the PRC proceeding entered into negotiations and emerged with an even better deal for ratepayers and the state's economy. The original settlement agreement, and the recently negotiated settlement agreement, constitute a huge step forward for the renewable energy industry, the economy of New Mexico, and proponents of renewable energy everywhere.

It should be hailed as a major victory.

To begin, let us look at the benefits of the PNM plan. The plan calls for shutting down two of the four coal-fired units, thus cutting carbon emissions by 50 percent.

That alone is a major victory for the environment. In addition, it replaces some energy produced from coal with natural gas, a much cleaner burning energy, plus nuclear energy, with no carbon burning at all, and 40 megawatts of solar power.

As the head of a geothermal power company, I have often weighed the right approach the power-producing industry must take to be responsible energy partners. Some have advocated that we close down all coal-powered plants immediately, regardless of damage to the economy and lost jobs. I advocate a different approach.

History has proven over and over again that a diversified portfolio of different energy sources is critical to maintaining stability. This new balance of renewables, gas, nuclear and, yes, coal is clearly diversified and will protect against changes in the future that might otherwise hurt New Mexico economically.

In addition, to be good responsible partners, we must consider the impact on both the economy in general and on people in particular.

To close down all four coal-fired units at once might cut carbon emissions further than what has been proposed, but the economic cost in human terms – the job loss of our fellow citizens – would be devastating. We should advocate a phased-in, responsible approach that balances the need for jobs and the impact of carbon reduction.

Recently, a settlement between PNM, consumer, renewable, and environmental groups made the deal even better.

PNM has agreed to add additional megawatts of renewable energy, if they are cost-effective for the ratepayers. This shows a considerable commitment to renewable energy on their part.

In addition, PNM has agreed to review the ongoing economic viability of San Juan Generating Station in 2018.

This allows for the state to prepare economically for a possible future without the resource of cheap coal while softening the economic impact in the Four Corners area, where Navajo and non-Navajo miners and workers rely on the coal industry to make a living.

This settlement will also improve air quality and bring PNM's plant into compliance with the Federal Regional Haze Rule.

The original plan was endorsed and supported by PNM, President Obama's Environmental Protection Agency and the New Mexico Environment Department. The recent settlement has the support of the New Mexico attorney general, Western Resource Advocates, the NM Coalition for Clean, Affordable Energy and other organizations.

Ratepayers, environmental groups, business groups, and the PRC should support this plan and the settlement between the parties.

As we make the phased transition to reliance on more renewable energy, we should recognize that public support is crucial to our ultimate goals. Taking the human toll of our policies into account will increase public support in the long run.

Cyrq Energy is a geothermal company headquartered in Salt Lake City.