

Guest Columns

Short-term costs of Palo Verde power are worth it

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This is a defining moment for New Mexico's energy future and, if residents don't pay attention, a small but vocal group of special interests could hijack our future and your electric bill.

They would take the state down a path of increased carbon emissions and higher electricity prices, all to further an extremist agenda that has little basis in fact and does not consider the best interests of PNM customers.

PNM delivers energy that's reliable and environmentally sensitive while keeping electric bills low. We have a balanced and increasingly cleaner mix of resources to generate electricity. At the end of next year, the company will retire two of its four coal-fired units at San Juan Generating Station, and replace that power with solar, natural gas and existing energy from the Palo Verde nuclear plant in Arizona. A diverse group of stakeholders, including environmental advocates, agreed that our plan is right for

New Mexico.

PNM customers have received electricity from Palo Verde for more than three decades. It is one of the world's safest, most reliable nuclear facilities. PNM owns or leases part of all three units, which we need to meet customer demand 24-7.

This year, as we have done previously, we purchased an expiring lease at fair market value to ensure access to this reliable source of energy for years to come.

PNM took this action under authority granted by the New Mexico Public Regulation Commission in previous public hearings. Just as we have done before, PNM now seeks to recover the costs of this power in a rate review pending at the PRC.

Energy decisions require an open and vigorous discussion centered on facts and focused on a clear goal. PNM's goal is to continue providing reliable energy to our customers at low prices while protecting our environment. Unfortunately, those special interests are attacking every aspect of PNM's request, including Palo Verde, with little regard for reason or fact. They want to deny PNM cost recovery for this critical source of energy and, ultimately, they want all nuclear plants closed.

They claim more renewable energy is the answer, and they twist facts and mislead consumers to promote their narrow agenda.

One only has to look to the state of California to see how special interests can hamper economic growth and hurt working families.

California mandated a huge increase in renewable energy and is closing several of its nuclear plants due in part to similar pressure from special interest groups. How is that going? Californians already pay among the highest electric bills in the country and now they're facing serious reliability challenges.

Even worse, their carbon emissions are expected to increase, since they will need gas-burning plants to keep the lights on when there's no sun or wind. Hawaii has similar mandates and challenges, and also has some of the highest electricity bills in the nation.

Four of the world's leading environmental scientists recently wrote that wind and solar energy sources cannot "deliver cheap and reliable power at a scale the global economy requires." They say nuclear power has to have a "substantial role" in addressing climate change.

U.S. Energy Secretary Ernest Moniz told the New York Times, "Maintaining the nuclear fleet is really important for meeting our near-term and midterm goals."

For PNM customers, Palo Verde helps keep bills low and reliability high. Currently, New Mexico is on track to meet the Clean Power Plan mandate for carbon reduction, but we won't be able to do that without the ability to buy — and pay for — energy from Palo Verde.

If PNM is denied cost recovery for purchasing Palo Verde leases, the company won't be able to purchase the next set of leases when they expire and other states would benefit from that zero-carbon electricity. PNM would have to add energy from natural gas, increasing carbon emissions.

Palo Verde may cost a little more in the short term but, without it, the consequences and prices will be much higher, which would impact our economy and hurt working New Mexico families.