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## **PNM outlines multiple paths away from coal: Historic filing takes an unprecedented approach to New Mexico’s energy and economic future**

**(ALBUQUERQUE, N.M.)** – This past Earth Day, New Mexicans saw PNM lead the way in becoming the nation’s first investor-owned utility to announce the earliest goal to be 100% emissions-free by 2040. Today, PNM moved one step closer to that goal with its filing for the closure of the San Juan coal plant.

Through an innovative approach, PNM filed four distinct scenarios for the replacement of the coal-fired generation. Each scenario underwent modeling that looked at factors such as:

- the costs to customers
- proven types of generation, like solar, wind, and natural gas
- the reliability of those generation sources working independently and together as one system
- the dependability and magnitude of energy storage technology
- the flexibility to meet customer demand at the hottest hour of the day and the coldest middle of the night

All of these scenarios would replace coal-fired generation with renewable resources, flexible natural gas and/or cutting-edge technologies. The first scenario is a hybrid of generation resources that includes a combination of new solar generation, wind already presented to the NMPRC, energy battery storage, and new flexible natural gas. This plan provides high reliability, low cost, and addresses environmental concerns by considering new natural gas resources until 2040 so PNM can achieve its emissions-free goal.

If approved, this scenario results in average customer savings of \$7.11 per month in 2023 compared to the continued operation of San Juan. It also meets the rigorous reliability requirements placed on utilities by the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation.

“Each step we take toward 100% emissions-free must balance the cost, the environment, and reliability,” said Pat Vincent-Collawn, PNM Resources chairman, president and CEO. “The San Juan replacement plan we put forth will not only save customers money but will have one of the largest solar facilities in the U.S. and one of the highest percentages of battery storage anywhere in the country.”

This is the second major step PNM has taken away from coal. In 2017, the utility closed two of the four units at San Juan Generating Station. This filing requests for the utility to close the remaining two units. PNM plans to exit coal entirely when the existing coal supply agreement for the Four Corners Power Plant expires in 2031.

“Our company must balance: the cost of customers’ bills and the price they pay for energy, the cost to the environment and the protections we must take, as well as the cost of reliability for our homes and communities. We at PNM understand our responsibility to keep the lights on. The hybrid plan carefully balances these costs with our customers’ pocketbooks,” said Ron Darnell, Senior Vice President, Public Policy, PNM.

PNM is committed to an open and transparent process that works within the New Mexico Public Regulation Commission’s public process and leads to an informed decision on New Mexico’s energy future.

The three remaining scenarios consider diverse factors within the Energy Transition Act. Customers can learn more about all four scenarios and provide comments at [www.PNM.com/PoweringtheFuture](http://www.PNM.com/PoweringtheFuture).

The filing also includes resources to assist employees and the communities affected by the closure of the San Juan Generating Station.

“PNM employees at the plant and their predecessors have worked tirelessly to provide low-cost reliable power to customers for decades. We are thankful for them and their commitment to excellence. PNM is a family and we stand united together to support our brothers and sisters in San Juan as we transition out of coal,” stated Tom Fallgren, Vice President, Generation, PNM.

If approved by the NMPRC, PNM will provide San Juan coal plant employees and the San Juan Coal Company Mine employees with \$20 million for severance, job training, educational programs, and certification classes.

A step away from coal is not a step out of the communities we have been a part of for so long. We will continue to identify innovative ways to support economic development in those areas impacted most by this transition.

As members of the PNM family, San Juan employees have been at the forefront of our plans. As we move forward, no employee will be left behind. We believe retraining employees for jobs in the renewable energy field, as well as offering opportunities to pursue different paths entirely, will make our company and our state stronger as we lay the foundation for New Mexico to become the national leader in renewable energy.

PNM will aid our employees in choosing their next steps, while giving them the tools and resources they need to move forward, because our employees deserve nothing less. To see the benefits being offered to all employees affected by this transition, please visit [www.pnmforyou.com](http://www.pnmforyou.com), which will be updated with new events and information for San Juan employees.

#### **About PNM**

With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving 525,000 customers in dozens of communities across the state. PNM is a subsidiary of PNM Resources, an energy holding company also headquartered in Albuquerque. For more information, visit [www.PNM.com](http://www.PNM.com).

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