Since September 2016, Renewable Taos, Inc. has been sending this letter to a New Mexico statewide list of federal, state and local political representatives, federal and state agencies, businesses, NGOs and other selected parties.

[Date]

[Addressee]

Re: New Mexico and Renewable Energy

[Salutation]

We ask that you support:

- New Mexico's participation in a regional market for energy services for the Western Interconnection electric power grid.
- Renewable energy infrastructure and upgrades with an emphasis on utility-scale renewable energy generation and transmission throughout New Mexico.
- Substantial investment of State Investment Council (SIC) and other New Mexico funds in renewable energies – notably wind and solar power – that are now in strong demand throughout our region.

New Mexico and Historic Change for Energy Systems

New Mexico stands ready for historic change in the way we generate and distribute energy to our citizens and those of other states.

This change:

- Comes with generous benefits of jobs and economic opportunities for New Mexico.
- Comes with a major role in the regional market for renewable energy for our American West.
- Ensures stable, predictable energy prices for all energy consumers for the long term.
- Is modernizing our energy infrastructure, making it one that will sustain energy services while having low environmental impacts.

We are aware that other states are moving quickly to take advantage of the transition to renewables, while New Mexico is lagging in this important opportunity.

A Rapid Move to Renewables for the Western Electricity Grid

The energy and utility sectors are changing rapidly worldwide, and these changes are evident for the Western Interconnection electric power grid. Currently, 14 western USA states (including New Mexico), two Canadian Provinces, and northern Baja California, Mexico are exploring a regional market for electricity. The emphasis is on upgrading and governing the Western Interconnection to guarantee generation and transmission of renewable energy.

The bulk of existing and new renewable energy generated throughout the western states will flow primarily to the California market as mandated by that state's 2015 legislation, SB 350. SB 350 requires California to derive 50 percent of its electricity from renewable energy by 2030. The California Independent System Operator (CAISO) has researched and reported extensively on the details of California's renewable energy transition and managing the Western Interconnection for renewables.

As a result of SB 350, California intends to terminate its coal-fired electricity contracts with New Mexico by 2025, and with other states as well. Arizona Public Service Company (APS) is attempting to further decarbonize its energy systems to provide more clean energy services to California, and may exit from its contracts with New Mexico's Four Corners Generating Station before 2025. Texas wind power interests are attempting to enter the western regional electricity market by transmitting wind-generated electricity through New Mexico using planned, upgraded and new high-voltage transmission corridors.

New Mexico for many years has sold substantial amounts of energy to California. Currently, New Mexico sells approximately 30 percent of the electricity and 90 percent of the natural gas our state produces to California. Generating electricity and mining natural gas both require substantial amounts of water, a resource that is always in short supply and declining rapidly with a warming and drying climate. Developing and marketing solar and wind resources are sensible and permanent means of conserving our water resources for much needed residential, commercial and agricultural uses.

Shifting New Mexico's sales of energy from fossil fuels to energy from renewable sources continues our longstanding energy business relationships with California and Arizona. Participating in an expanded energy market across the Western Interconnection creates greater opportunities for sales of New Mexico's vast solar and wind energy resources while saving our water.

Local Renewable Energy Resources and Regional Sales

Renewable energy generation at the Rural Electric Cooperative (REC) level has significant potential to generate local economic development through building infrastructure and selling clean energy to the regional grid. The California Independent System Operator (CAISO)

currently provides open and non-discriminatory access to the transmission grid and wholesale power market for California. If the regional market is expanded to the entire Western Interconnection, New Mexico RECs would be able to use their local and aggregated renewables facilities to sell excess generation. This is particularly appealing for solar resources in northern New Mexico. Here, our maximum solar-electric generation potential occurs in mid-day, which is also the time of our local customers' minimum and regional customers' maximum electricity demands.

Renewable Energy Transmission: New Lines and Upgrades

Maximum and efficient marketing of solar and wind resources requires electricity transmission upgrades and new lines to complement New Mexico's existing grid. We need improvements for Paths 47 and 48 in the Western Interconnection. The Western Electricity Coordinating Council (WECC) provides comprehensive information on transmission pathways for the western grid.

Transmission development in these projects is largely planned for existing transmission corridors, with some exceptions. In general, transmission lines throughout our nation require periodic upgrades within existing corridors. We urge support for transmission line upgrades in existing corridors where those upgrades are fully intended to increase electricity supply from renewable energy generation sources.

Renewable Energy Demand is Changing the Marketplace

The regional and national energy markets have attained a modern status wherein the utility-scale costs of solar and wind power are generally cheaper than the costs of any other form of energy generation. These lower costs are driving new approaches to power markets. Further, renewables offer price stability for energy that does not require mining, processing, transporting, storing and burning fuel supplies. New Mexico is well positioned to take full advantage of its exceptional renewable energy resources, and simultaneously boost our statewide and local economies.

A Time to Choose a Clean Energy Future

There are many advantages and few downsides to developing New Mexico's renewable energy resources – and the transmission to carry clean power – for customers in the Western Interconnection. There are few and negligible economic or technological barriers to a rapid buildup of utility-scale solar and wind power generators in appropriate sites throughout New Mexico.

New Mexico stands at a point of major choice. We can choose to determine our own energy-economic future. If we do not make this choice, that future will surely be imposed upon us by others. Texas wind energy interests, for example, are now engaged in a major effort to supply wind power to the Western Interconnection using New Mexico lands and facilities for transmitting electricity.

In northern New Mexico, we are well positioned for a mixed model of renewable energy development. The model involves local production of renewable energy with sales of excess generation to the regional grid, and independent utility-scale development to serve regional demand. The mixed model is important in that it can be readily adopted throughout New Mexico and the nation. It is important for building a sustainable energy economy based on local resources. It is important in that it can be rapidly scaled to larger amounts of renewables being connected to the regional grid.

New Mexico has a fiduciary responsibility to its citizens for wise investments in the state's resources and future. State revenues from fossil fuels development have been falling rapidly. Both the declining costs of renewables and the necessary transition away from fossil fuel energies argue for greater investment by the New Mexico State Investment Council (SIC) in renewables.

We appreciate your continuing support of renewable energy. We encourage your support for the policies and facilities to market renewable energy to customers throughout the Western Interconnection.

Thank you for your attention to ensuring that New Mexico becomes a partner in a regional energy market to promote renewable energy development, reduce greenhouse gases emissions, conserve our water, and reduce consumer costs of electricity.

Please contact Renewable Taos, Inc. at any time for detailed information in support of our request.

Sincerely Yours,

William M. Brown

For: Renewable Taos, Inc.
502 Pinon Court
Taos, NM 87571
http://renewabletaos.org

Reply to:
William M. Brown
Tel: 575.776.1479
Email: swctaos@gmail.com