



High Plains Regional Transmission Summit

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Lawrence, Kansas
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New Mexico Renewable Energy Transmission Authority - RETA

- ▶ Seven state-level authorities;
- ▶ RETA's primary focus is developing and financing renewable energy-related transmission infrastructure and storage projects.



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Challenges for Interstate Transmission

- ▶ Fear of being a conduit for other states power;
- ▶ Different Regulatory Agencies:
 - State vs. Federal;
 - Permitting and approval process;
 - Coordination of environmental review.
- ▶ Eminent Domain:
 - State and Federal issues.
- ▶ Inconsistency of renewable portfolio standards:
 - Other states may be less sensitive to green power.

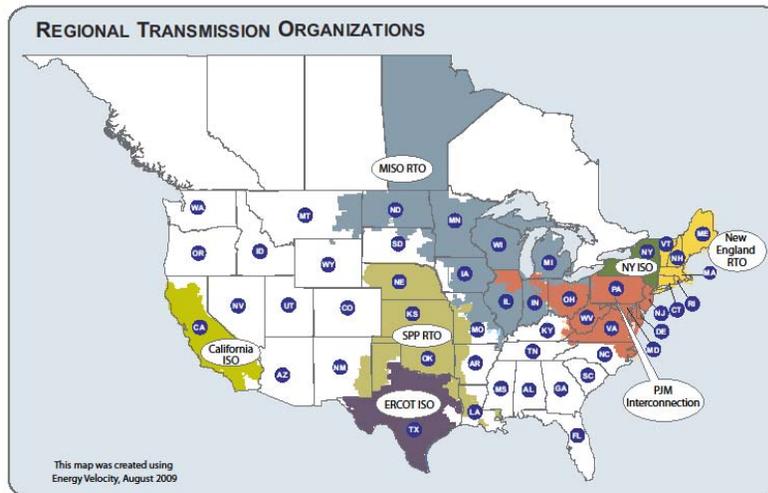
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Challenges for Interstate Transmission

- ▶ Lines typically built by utilities, independent power producers or independent transmission companies;
- ▶ Tax status of state authority debt;
- ▶ Managing expectations;
- ▶ Cost recovery issues:
 - In-state vs. out-of-state rate payers;
 - Economics are driving in state development and not multi-state. Developments are remaining fairly small.
- ▶ Lack of coordinated interstate planning:
 - Different planning organizations:
 - Regional Transmission Organizations.

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Regional Transmission Organizations



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Role of State Authorities

- ▶ State Authorities can be facilitators;
- ▶ Strengthen legislative support;
- ▶ Provide public review of project feasibility;
- ▶ Need to make timing and economics such that we are attracting capital;
- ▶ Public/private partnerships;
- ▶ Financing structures:
 - Traditional bond financing;
 - Joint Action Agency;
 - Master Limited Partnership;
 - Real Estate Investment Trust.

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New Mexico Initiatives

- ▶ New Mexico Senate Memorial 44
- ▶ RETA's responsibilities:
 - Develop a map and supporting documents identifying existing generation and transmission lines and renewable energy resource zones to support development;
 - Coordinate with other agencies to prioritize regions with low or minimal land development conflicts;
 - Identify and prioritize the best options for potential transmission corridors;
 - Plan to update the report every 6-12 months as additional information becomes available.

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State Authorities Can Work

- ▶ 100 MW wind farm in Torrance County, NM;
- ▶ Total revenue projected over project life is approximately \$580 Million;
- ▶ Total operating expenses over project life is approximately \$219 Million;
- ▶ Project financed with IRBs and other debt;
- ▶ RETA will finance transmission upgrades;
- ▶ Estimated financing from RETA is \$32 Million;

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