

Initial Comments of PNM to the U.S. Department of Energy

U.S. Department of Energy
Programmatic EIS Scoping Meeting

October 26, 2005
Albuquerque, New Mexico

Who is PNM?



- PNM, based in Albuquerque, is the largest utility company in New Mexico, providing electric service to more than 400,000 customers and gas service to more than 470,000 customers in about 100 communities statewide.
- PNM was founded in 1917 and today is the largest subsidiary of PNM Resources, an energy holding company that is also based in Albuquerque.
- PNM operates approximately 2,740 miles of high voltage electric transmission lines and 1,480 miles of gas pipeline in New Mexico.

PNM Interest in this PEIS

PNM supports this process, and considers energy corridor designation on federal lands to be an important initiative needed to meet current and future energy needs for New Mexico and the West.

Why?

- Significant amounts of land in the West and New Mexico are federal land.
- Portions of many existing PNM electric and gas transmission facilities are on federal land.
- Many potential new energy corridors will at least in part involve federal land.
- Future energy supply to PNM customers, including the metro Albuquerque area, could be blocked without appropriate land management.

Meeting energy needs is best facilitated through specific inclusion of energy corridors in Federal Agency land use plans.

The “No Action Alternative” will not allow PNM to meet future energy needs

- The capacity of the existing northern New Mexico Transmission system to import power for customer use has been maximized through numerous reinforcements over the past 15 years.
- Future capacity increases for the northern New Mexico electric grid will require development of new transmission lines to strengthen the PNM system.
- Development of a new corridor will be required.

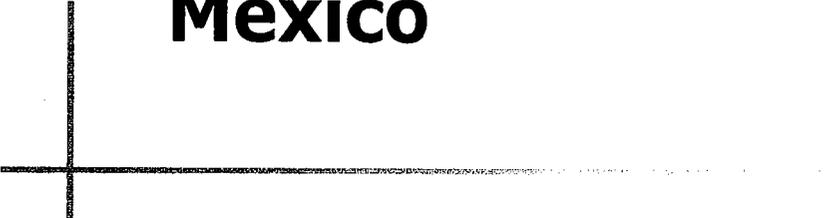
Corridor Concept in this PEIS

- PNM believes that DOE should interpret and apply the concept of corridor designation under this PEIS in a flexible manner.
- Corridor designation should be available to address three broad concepts:
 - known, existing corridors for the purpose of corridor protection,
 - planned facilities and associated corridors (defined endpoints and project-specific purpose and need),
 - conceptual corridor designation (where endpoints are approximate and purpose and need is based on policy objectives).

Concerns

- It is presently unclear which, if any, existing facility rights-of-way are already designated or considered to be "energy corridors" in this process.
- The procedural benefits within siting processes that attach to designated energy corridors should be made clear.
- Energy corridor planning and designation must recognize the need for adequate spacing and clearance between corridors to maintain system reliability.
- Care must be taken to avoid crowding of uses or incompatible uses within energy corridors.
 - Is crowding a possible outcome of the "Increased Utilization Alternative" or "Optimization Criteria Alternative"?
 - Designated corridors should be wide enough to accommodate anticipated "uses" in a safe manner with enough separation between facilities to mitigate adverse impacts on reliability

Wind Energy Development in New Mexico



- New Mexico is rich in wind resources that have yet to be developed, and many governmental, business and environmental interests have strongly advocated wind development.
- These wind resources are located primarily in eastern New Mexico, in a region where the electric transmission grid is weak.
- Large scale development of wind resources will require new electric transmission facilities and, accordingly, establishment of related new energy corridors in NM.
- Additional electric transmission facilities between NM and markets in other states will also be needed.

Wind Energy Development in New Mexico (cont.)



- Currently there are four projects totaling approximately 650MW of new wind generation proposed on the PNM system. Interest has been expressed in development of significantly greater amounts of wind generation.
- PNM is required under its FERC-accepted Open Access Transmission Tariff to interconnect and integrate new generation into the NM transmission grid.
- Designation of energy corridors for integration of this wind resource will support important policy objectives and facilitate compliance with the requirements of other government agencies.