

PNM files renewable energy plan with regulators

The Associated Press

New Mexico's largest electric utility has proposed adding more renewable energy to its portfolio over the next two years, but the changes could lead to higher electric bills for customers.

Public Service Company of New Mexico, a unit of PNM Resources Inc., submitted its annual renewable energy plan to the Public Regulation Commission on Monday.

It calls for boosting solar capacity by another 20 megawatts by adding panels to existing solar arrays in Deming, Alamogordo and Los Lunas. It also seeks to purchase geothermal power from a planned 10-megawatt facility in southwestern New Mexico.

Under the plan, PNM would also continue its program for customers who want to install solar panels on their rooftops. Nine megawatts of solar capacity would be set aside for the customer program, which would continue through 2016 if approved by regulators.

Ron Darnell, PNM's senior vice president of public policy, said the plan involves a blend of different generation resources.

"We've taken input from the solar community and others as we prepared this proposal because we know how important our customer-installed program has been to solar businesses in New Mexico," he said in a statement.

He said the renewable energy plan also takes into consideration resources the utility will be adding in 2015 and beyond.

If approved, the plan will position PNM to meet New Mexico's renewable energy standard when it jumps from 10 to 15 percent in 2015, Darnell said.

Environmentalists have been critical of PNM, saying the utility has not invested enough in renewable energy, a claim PNM disputes.

Much of the dispute centers around PNM's coal-fired power plant in northwestern New Mexico. Environmentalists complain the plant is pumping out too much pollution, while PNM argues that emissions upgrades in recent years have reduced pollution and that the plant provides a reliable, economical source of electricity for more than 2 million customers in the Southwest.

PNM said some fossil fuel costs would be offset by adding renewable energy. Still, the cost for customers of complying with state mandates in 2013 is estimated at more than \$19 million.

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Costs for renewable energy procurements made in 2011 and 2012 have yet to hit customer bills. PNM said the average customer could see an increase of about \$1.40 as early as August.

As for the customer-owned solar program, the price PNM would pay customers for renewable energy credits, or RECs, associated with the electricity generated by their solar panels would drop by a half-cent every six months for smaller systems and 5 cents for larger systems to a floor of 2.5 cents per kilowatt-hour.

Customers would have eight-year contracts to participate and would continue to benefit from net-metering.

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