Generation and Transmission System Overview

RADIOACTIVE AND HAZARDOUS MATERIALS COMMITTEE

November 23, 2010

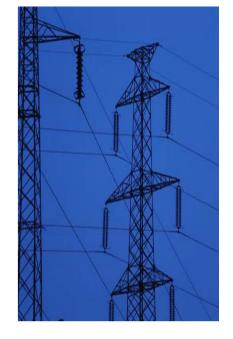
Jeff Mechenbier

Director Transmission & Distribution Planning and Contracts

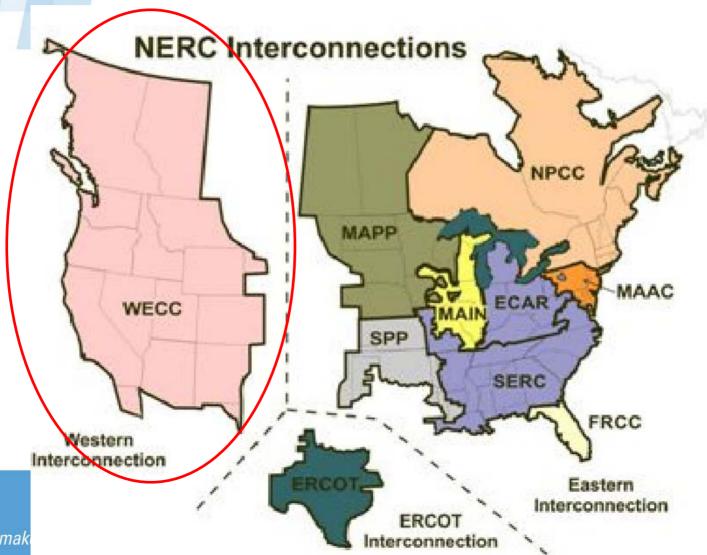


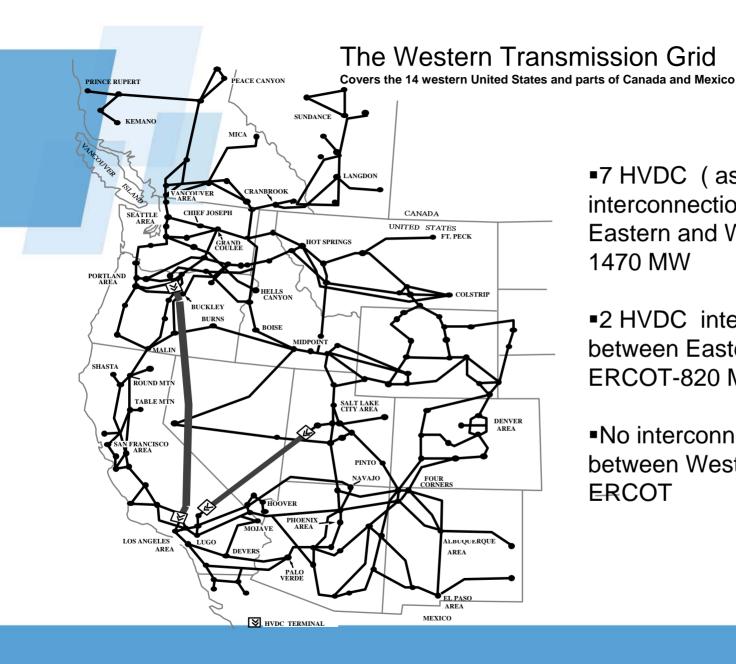
Agenda

- Transmission Grids
- System Map Overview
- A Few Facts...
- PNM Transmission System Uses
- System Representation
- Load Characteristics and Load Growth
- Existing Queues
- Transmission Development Issues
- Renewable Resources and Wind Energy Potential in NM



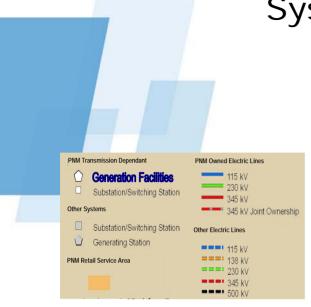
Three Transmission/Grids Exist In The US



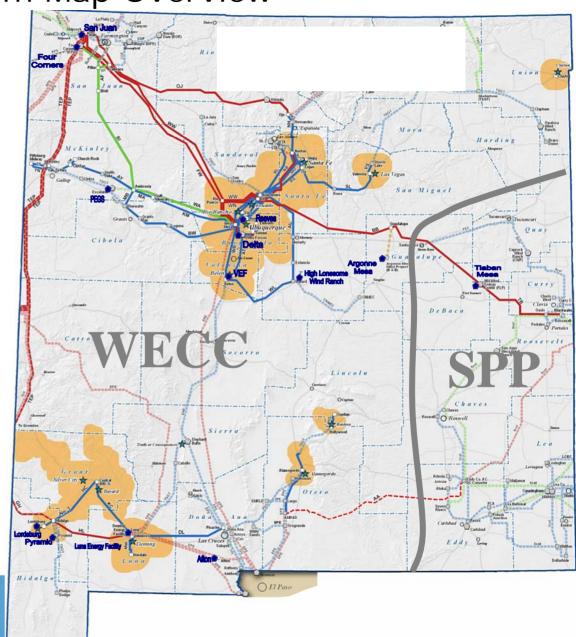


- ■7 HVDC (asynchronous) interconnections) between Eastern and Western Grids-1470 MW
- 2 HVDC interconnections between Eastern grid and **ERCOT-820 MW**
- No interconnections. between Western grid and **ERCOT**

System Map Overview



- Lines shown in red are the primary backbone transmission lines in NM
- •The main function of transmission is to deliver power from generating resources to load centers
- •Lower voltage lines serve as backup to the backbone lines and to distribute power to outlying smaller load areas distant from Albuquerque and El Paso



A Few System Facts.....

Line mileage (incl. jointly owned lines)

- 165 miles of 500 kV (Outlet lines from Palo Verde)
- 1556 miles of 345 kV
- 180 miles of 230 kV
- 1000 miles of 115 kV

"Backbone" transmission lines (345 kV and 230 kV) are 150 to 200 miles in length.

Majority of transmission lines built in late 1960s through the mid 1970s.

PNM has not built any backbone transmission since 1984

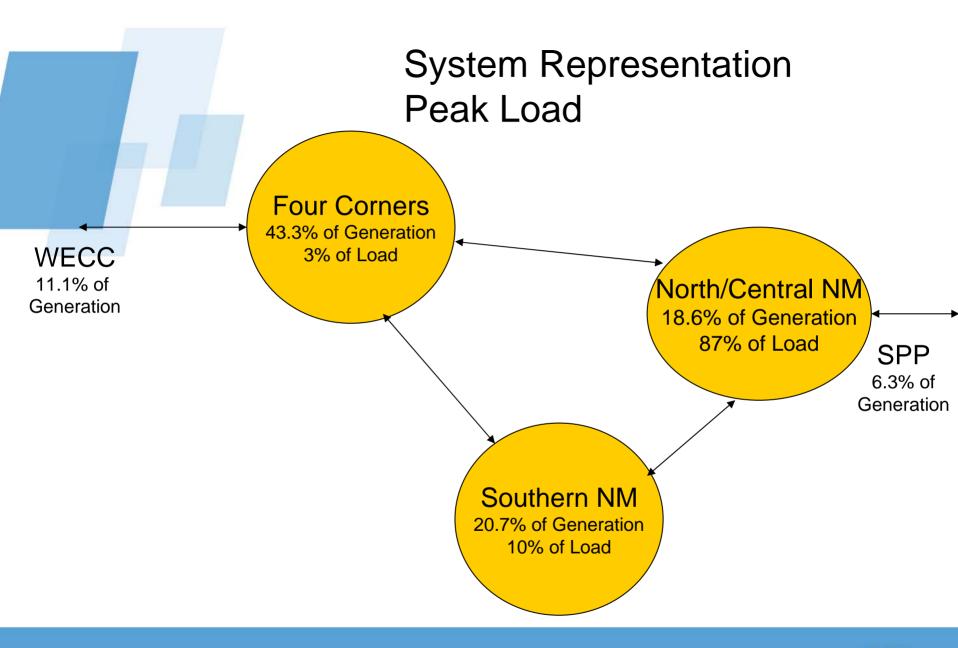


PNM Transmission System Uses

PNM Balancing Authority Load

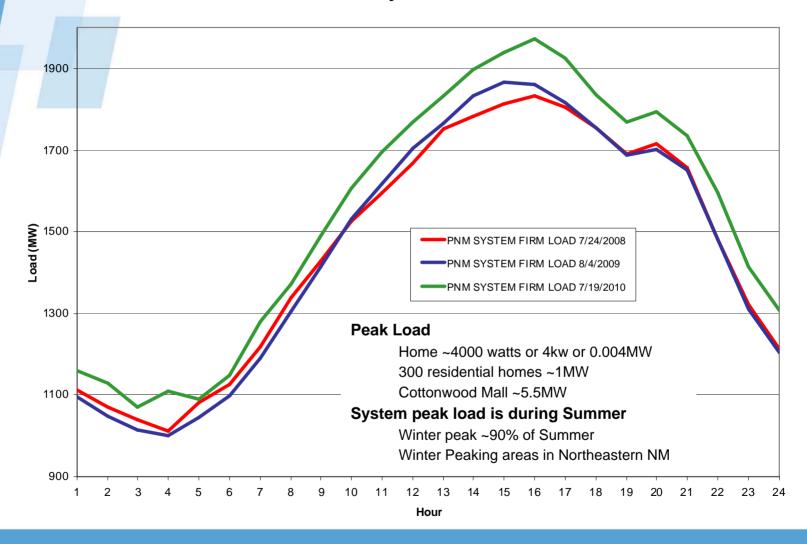
- Retail-PNM customers represent about 60% to 65% of system use
- Wholesale-Transmission customers (network customers and P-to-P) represent 35% to 40% of system use





Load Characteristics and Load Growth

PNM System Load





Existing Queues

Interconnection Requests

41 -- 14,143 MW (12,870 MW wind & 1,273 MW solar)

4 -- 1075 MW Pending LGIA

8 – 635 MW Signed LGIA not operational (gas, wind, solar)

4 – 492 MW Operational (December 2010)

Joint Studies (EPE/TSGT)

8,416 MW

<u>Transmission Delivery Service Requests</u>

65 - 8410 MW

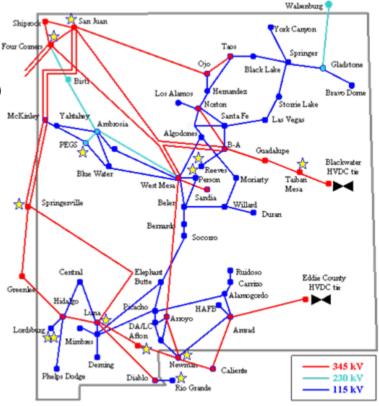
4 – 297 MW Signed TSA not operational

Peak Load

1,973 MW (PNM)

~2,600 MW (PNM Balancing Authority)

~5,000 MW Total New Mexico



Transmission Development Issues

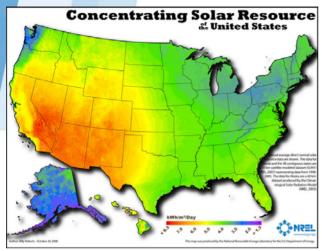
- Few PPAs are being inked, projects are very slow to move forward with signed agreements
- Transmission lacking in renewable rich zones
- Congestion/ lack of transmission between NM-AZ and AZ-CA
- Transmission is a regional issue-All stakeholders in the region need to cooperate in solution
- Transmission very expensive-can't be justified for single use
- Transmission siting is lengthy and difficult-large costs at risk on front end
- Determining who pays and how costs are recovered for long distance lines is very difficult
- Collaboration needs to begin at the federal/state level to address conflicting goals of governments. Federal and state policies are not aiming at the same targets.

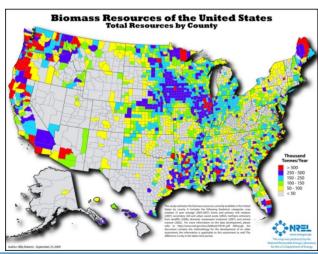


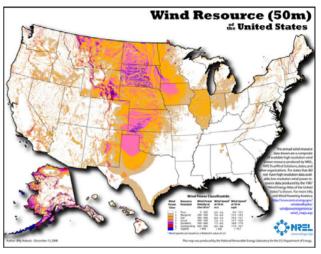
Renewable Resources and Wind Energy Potential in NM

Renewable Portfolio Standards www.dsireusa.org / November 2010 ME: 30% x 2000 VT: (1) RE meets any increase WA: 15% x 2020* New RE: 10% x 2017 MN: 25% x 2025 in retail sales x 2012: MT: 15% x 2015 NH: 23.8% x 2025 (2) 20% RE & CHP x 2017 (Xcel: 30% x 2020) MI: 10% + 1,100 MW MA: 22.1% x 2020 ND: 10% x 2015 OR: 25% x 2025 (large utilities)* New RE: 15% x 2020 x 2015* 5% - 10% x 2025 (smaller utilities) (+1% annually thereafter) SD: 10% x 2015 WI: Varies by utility; NY: 29% x 2015 RI: 16% x 2020 10% x 2015 statewide CT: 23% x 2020 NV: 25% x 2025* IA: 105 MW OH: 25% x 2025 PA: ~18% x 2021† CO: 30% by 2020 (IOUs) WV: 25% x 2025* 10% by 2020 (co-ops & large munis)* IL: 25% x 2025 NJ: 22.5% x 2021 CA: 33% x 2020 KS: 20% x 2020 UT: 20% by 2025* VA: 15% x 2025 MD: 20% x 2022 MO: 15% x 2021 DE: 25% x 2026* AZ: 15% x 2025 OK: 15% x 2015 NC: 12.5% x 2021 (IOUs) DC: 20% x 2020 10% x 2018 (co-ops & munis) NM: 20% x 2020 (IOUs) 10% x 2020 (co-ops) PR: 20% x 2035 TX: 5,880 MW x 2015 HI: 40% x 2030 29 states + Renewable portfolio standard DC and PR have Minimum solar or customer-sited requirement an RPS Renewable portfolio goal Extra credit for solar or customer-sited renewables (7 states have goals) Solar water heating eligible Includes non-renewable alternative resources

Regional Diversity of Renewable Resource Opportunities











Typical Cost to Install Wind and Solar (PV) 100 MW plant

Wind ~\$235 Million

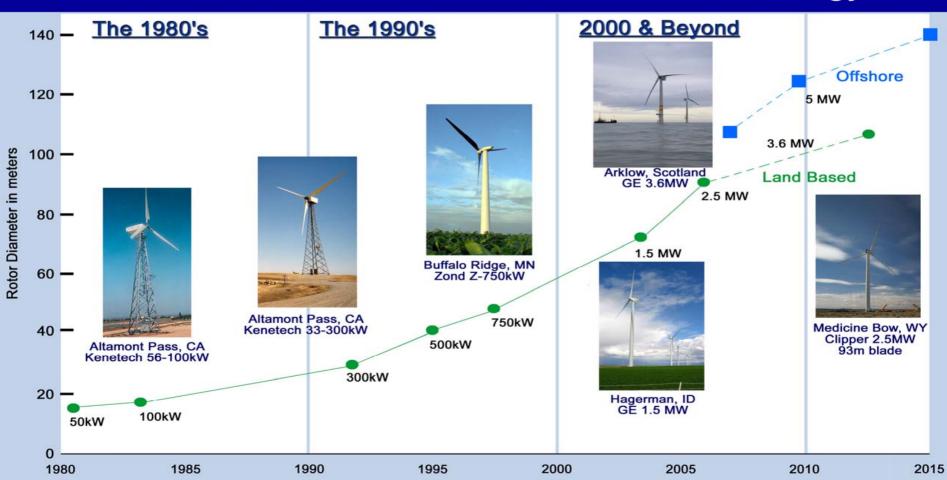
Land owner ~\$3k to \$5k per turbine/year

Solar (PV) ~\$450 Million

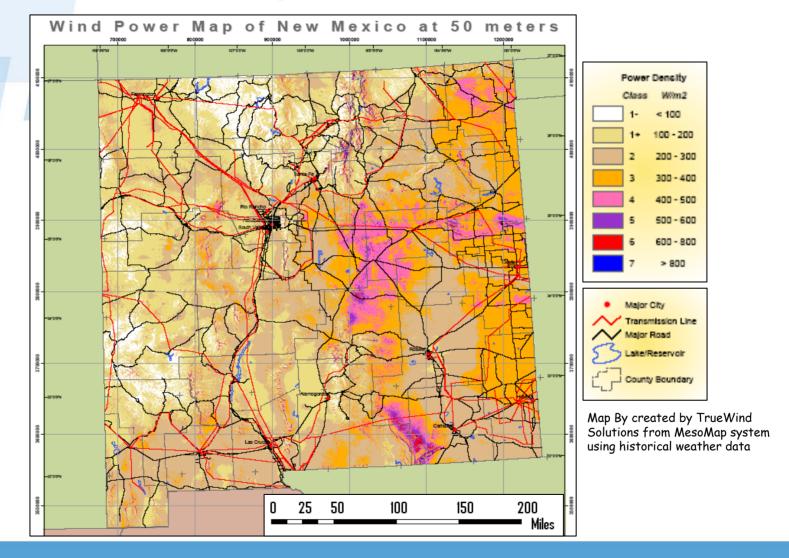
Solar-Thermal (storage) ~\$610 Million

Larger, Water-bound

Evolution of U.S. Commercial Wind Technology



Wind Energy Potential in NM



Existing Wind Generation in New Mexico

Installed: 698 MW

2 MW "Llano Estacado" near Clovis - Cielo Wind, SPS (1999, expanded in 2003)

204MW "NMWEC" near Fort Summer – NextEra, PNM (2003)

80MW "Caprock" near Tucumcari, Cielo Wind, PNM (2005)

120MW "San Juan Mesa Wind Project" near Elida, Padoma Wind Power, SPS (2005)

90 MW "Aragonne Mesa" Superior Wind, west of Santa Rosa, APS (2005)

100 MW "High Lonesome Mesa" Edison Mission, near Willard, APS (2009)

102 MW "Red Mesa" – NextEra, short-term TEP (2010)

New Mexico Wind Energy Center

- Located in Eastern New Mexico
- 204 MW capacity
- Installed in 2003, in record time!
- Owned and operated by FPL Energy (NextEra)
- PNM purchases all the output



210 feet Tower Erection - 1 of 3 Tower Sections



Quick Fact: The bottom tower section has a base 16-foot diameter and weighs 39 tons.



Tower Erection - 2nd Tower Section

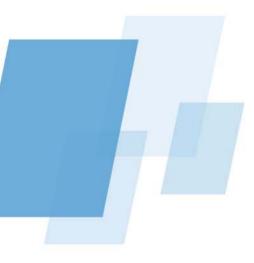


Placing Generator - 60 Tons



Placing the Generator





235 feet Diameter Blade Assembly





Flying The Rotor



Quick Fact:

The rotor and 3 blades weigh 43 tons.

Quick Fact:

The 275-ton crane's boom is 300 ft long.

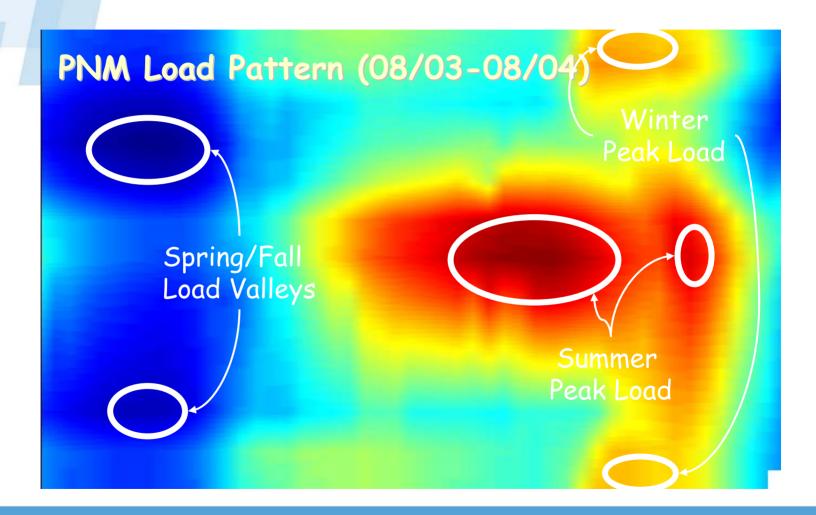


Installing the Rotor



All 136 Turbines Erected! Quick Fact: It is 310 feet to top of blade

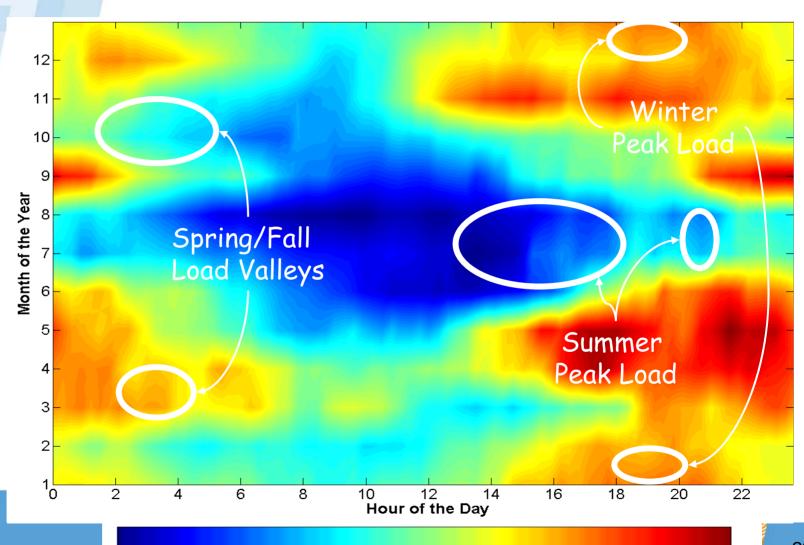
PNM Load (08/03-08/04)



NMWEC Output Pattern (08/03-08/04)

50 MW

The power to make life bett o MW



100 MW

150 MW

200 MW

Questions?

