
NEW MEXICO PUBLIC REGULATION COMMISSION

FROM THE OFFICE OF DISTRICT 2 COMMISSIONER PATRICK LYONS

PRESS CONTACT » CARLOS PADILLA » 505-827-4446 » carlos.padilla2@state.nm.us

FOR IMMEDIATE RELEASE

March 21, 2016

NEWS RELEASE

Xcel Energy Files Wind Proposal Touting \$2.8B in Customer Savings Over 30 Years

SANTA FE – Xcel Energy filed a proposal on Tuesday, March 21, 2017 with the New Mexico Public Regulation Commission (NMPRC) and the Public Utility Commission of Texas (PUCT) that the utility company forecasts will save customers located in both states approximately \$2.8 billion over a 30-year period. Xcel Energy recently announced plans to add 1,230 megawatts of wind energy to its New Mexico and Texas energy generation mix, most of which would come from facilities constructed and owned by the company.

Xcel Energy is seeking approval from the NMPRC and PUCT to construct the 522 megawatt Sagamore wind facility in New Mexico and the 478 megawatt Hale wind facility in Texas as well as a long-term purchase power agreement in Texas for 230 megawatts supplied by the Bonita wind facility.

Xcel also requests regulators approve allowing the company to amend the Certificate of Convenience & Necessity (CCN) to allow construction and inclusion of these projects, and approval of certain ratemaking principles. The three wind projects are contingent on regulatory approval.

Xcel estimates \$2.8 billion in customer savings over 30 years would be borne from integrating the lower-cost wind energy resources into the company's energy portfolio. The additional 1,230 megawatts of wind energy is enough electricity to power more than 440,000 typical homes, according to figures provided by Xcel.

“Our Texas and New Mexico customers expect us to deliver on our pledge to support long-term economic growth in our communities while ensuring reliable and affordable energy,” said David Hudson, President of Xcel Energy's Texas & New Mexico Region. “The decision to add additional wind generation is purely in the economic interest of our customers. By taking advantage of tax credits before they expire, these projects will allow us to produce wind energy at a cost lower than energy produced at our coal and natural gas-fueled plants, and pass those savings directly to our customers.”

This wind initiative is part of an overall corporate strategy to invest in infrastructure projects that lower the cost of energy production. Energy production in the southwest is often affected by volatility in the natural gas markets. In New Mexico and Texas, natural

gas is used to generate close to 40 percent of the energy delivered to Xcel Energy customers.

Xcel Energy has been the top utility wind energy provider nationally for 12 years, and is ranked fourth nationwide for delivering renewable energy. Currently, the company has close to 1600 megawatts of wind energy available in its Texas-New Mexico generation mix, which contributes to more than 22 percent of carbon-free electricity for customers.

In Roosevelt County, New Mexico, approximately 20 miles south of Portales, Xcel Energy has entered into an agreement to purchase the Sagamore Wind Project from Invenergy LLC. This facility will be capable of generating 522 megawatts, enough to power about 194,000 homes. The Sagamore project is expected to be in service by the end of 2020. Total project cost is \$865 million.

NextEra Energy Resources has developed wind projects for Xcel Energy outside of Texas and New Mexico, and in 2016, Xcel Energy began purchasing solar energy from a NextEra Energy Resources-developed project near Roswell, N.M.

The finalization of the agreements for the new wind facilities is conditional upon the approval of utility commissions in both New Mexico and Texas, process which could take up to a year to be completed.

###