
NEW MEXICO PUBLIC REGULATION COMMISSION

FROM THE OFFICE OF DISTRICT 3 COMMISSIONER VALERIE ESPINOZA

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NEWS RELEASE

Commissioner Espinoza Dissents In San Juan Abandonment Case

SANTA FE – Today I voiced the sole dissenting vote in the Wednesday, December 16, action taken by the Commission in the matter of the decision regarding the application proposed by Public Service Company of New Mexico (PNM) to abandon two coal-fired units at the San Juan Generating Station near Farmington.

My main concerns continue to be the replacement power options. I cannot support replacing two units with a significant amount of power derived from another coal unit. My position is based upon my duty to balance all the competing interests, and what I view to be a true opportunity to make some lasting improvements. This opportunity results from many things, including the convergence of PNM having to comply with rulings from the federal Environmental Protection Agency, California utility companies being prohibited from making additional investments in coal generation facilities and improved clean energy technology.

In addition, I cannot support the nuclear power replacement option as it is structured. I believe that the Palo Verde Unit 3 option should have been structured as a purchased power agreement with its ownership and the cleanup risks and costs continuing to be the sole responsibility of PNM's shareholders. Ratepayers do not need to shoulder this ownership.

The result of this decision will be borne by the ratepayers. I was acting in the spirit of fairness. The policy of the Public Utility Act (NMSA 1978, Sections 62-1-1 to -62-1.2 and -8-1 to 13-14) includes ensuring that utility services are provided at "fair, just and reasonable rates." It's the ratepayers who will be hit twice because the abandonment of the units are separate from the proposed pending rate case before us that is related to non-fuel and fuel revenues for residential customers, and is approximately an additional 15.83 percent increase request. I worry about the people who write a check every month. It's these people who will feel the effect of this vote. The incurrance of these costs, to me, is not prudent or reasonable.

In my opinion, decisions made today critically impact and affect our future, and can't be undone.

Leaders of 184 major countries also want to see reduced emissions. There are increasing issues related to the Clean Air Act and renewable deployment of new technologies. I don't want to be voting on the wrong side of history. For these reason I simply cannot support the stipulation or certification presented today.

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