



KNOW THE FACTS

PNM'S PLANNED "ABANDONMENT"

OF FOUR CORNERS POWER PLANT KEEPS THE COAL BURNING

After more than 50 years, PNM has finally filed for "abandonment" of its shares in the Four Corners Power Plant (FCPP). In 2013 El Paso Electric did a financial analysis and made a wise decision to get out of the plant, but PNM recklessly reinvested without an analysis, causing the coal plant to remain open. Now their planned sale of ownership shares could again prevent closure of FCPP, and PNM wants a \$300M bailout from ratepayers for their poor management decisions. At least 57.5M tons of additional carbon emissions and more than 4 billion gallons of New Mexico's freshwater resources are also at stake.

Why is the proposed abandonment an economic injustice?

In 2013 and 2014 PNM invested \$1B to re-up its leases and install pollution controls on the Four Corners Power Plant (FCPP). New Energy Economy challenged those investments, arguing successfully that PNM had failed to conduct a financial analysis and prove that its choice to double down on coal was prudent or the most cost effective option. We won that point with the Hearing Examiners, but the PRC decided to kick the can down the road and revisit the question of prudence during the next rate case. New Mexicans have been paying for that expensive coal power in rates ever since.

Now they are filing to "abandon" – aka sell – their shares in the Four Corners Power Plant, and they claim that despite their prior agreement to revisit the prudence of their FCPP investments in the next rate case, the Energy Transition Act guarantees them \$300M plus interest from ratepayers. **If approved, that \$300M bailout would be added as a non-bypassable charge to New Mexico utility bills for 25 years, adding up to more than \$400M once their guaranteed interest payments are included.** Those are valuable dollars, dollars that could be invested in getting us to 100% renewable energy, instead leaving our state to enrich PNM's Wall Street shareholders.

Why is the proposed abandonment an environmental injustice?

Avangrid required that PNM abandon the coal plant as a condition of the PNM/Avangrid merger, but the FCPP is so unreliable and expensive to operate that PNM could not find any buyers willing to pay for their 13% share of the plant – instead they agreed to pay Navajo Transitional Energy Company (NTEC) \$75M to take it off their hands.

That \$75M was not enough, however. NTEC also owns the coal mine that supplies coal to the plant, and therefore they have a vested interest in ensuring that the plant stays open as long as possible. **The PNM/NTEC contract for the proposed sale includes a clause preventing PNM from voting for early closure of the plant, important because early closure requires unanimous agreement from all owners.** Utility experts agree that without this impediment, early closure of the plant is the most likely scenario.

If approved, PNM's sale of their FCPP shares essentially ensures that coal continues to burn at Four Corners until at least 2027. That means more than 8M tons of additional carbon emissions could pollute the atmosphere each year, even as the IPCC tells us that we are out of time, and fires, floods, hurricanes and droughts have become a relentless warning of their own.

PUBLIC COMMENT WILL TAKE PLACE VIA ZOOM ON AUGUST 30TH AT 9:00AM



Four Corners Coal Plant Emissions

FCPP Emissions	2018	2019	2020
CO2 – in tons	8,434,185	9,667,380	8,226,212
NOx – In tons	4,762	2,881	2,167
SO2 – In tons	1,515	1,883	1,339

- Sulfur dioxide (SO₂), which contributes to acid rain and respiratory illnesses
- Nitrogen oxides (NO_x), which contribute to smog and respiratory illnesses
- Particulates, which contribute to smog, haze, and respiratory illnesses and lung disease
- Carbon dioxide (CO₂), which is the primary greenhouse gas produced from burning fossil fuels
- Mercury and other heavy metals, which have been linked to both neurological and developmental damage in humans and other animals
- Tens of millions of tons of toxic coal ash, waste created when power plants burn coal

Why is the proposed abandonment contrary to law?

In 2019 the New Mexico Supreme Court ruled that ratepayers must be held harmless for any amount imprudently invested by a utility. PNM's application ignores this bedrock New Mexico law from our highest court and:

- reneges on its own legally binding agreement to the PRC's ruling that the prudence of its FCPP investments must be revisited, and
- violates both the letter and the spirit of the Energy Transition Act, which requires that the commission prevent fossil fuel plants from being "reassigned, redesignated or sold" as a means of complying with the Renewable Portfolio Standard, and
- flies in the face of PRC legal precedent that reducing emissions is essential to the public interest, a legal standard that must be met.

Not only should the abandonment application be denied, PNM executives and shareholders should be held responsible for restitution to impacted communities in Four Corners and for cleanup and reclamation of the land and water despoiled by their plant.

Sign up for public comment in Case 21-00017-UT by emailing Ana.Kippenbrock@state.nm.us before Aug 30th

YOUR VOICE MATTERS