Tribal Energy Utility Policy Issues

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New Mexico Energy Stats

- Sixth in crude oil production in the nation in 2013.
- 5% of U.S. marketed natural gas production in 2012
- Largest coal-fired electric power plants in NM both on Navajo Nation
  - 2,100-megawatt Four Corners (Navajo Mine) (APS)
  - 1,643-megawatt San Juan (San Juan Mines) (Public Service Co of NM)
- In 2013, New Mexico ranked fifth in the nation in utility-scale electricity generation from solar energy.
- New Mexico’s Renewable Portfolio Standard requires that 20% of all electricity sold by investor-owned electric utilities, and 10% sold by cooperatives, come from renewable energy resources by 2020; in 2013, renewable energy supplied 7.8% of the electricity generated in the state.
- Residential Prices April 2015
  - Natural Gas: $8.85/thousand cubic foot (8th lowest price in US)
  - Electricity: 12.38¢/kWh (23rd highest price in US)
Historically Low Gas Prices

Why this matters:

• ~25% of electricity in NM is generated by natural gas
• Makes any renewable generation more expensive than gas unattractive
• Tribes can buy bulk natural gas supplies long term and save money
• Tribal members should have lower home gas bills.
Water/Climate Change

- Water is an energy resource!

- Are your water rights in order? Are they protected under contracts and tribal regulations?

- As weather and climate change, drought will be more severe, fish and wildlife will be impacted and water quality could be an issue. Tribal water will be placed in a spotlight and could be subject to policy directions. Examples:
  - California’s Tribal Consultation Drought Response Initiative – State AND Federal participation
  - Numerous new water projects under consideration off tribal lands
  - October 2014 EPA announced $43m for SW tribes drought projects
  - Western Area Power Administration rate increases due to drought.
WAPA Power Allocations

- NM served by Colorado River Storage Project Management Center (CRSP) Markets Salt Lake City Area Integrated Projects (11 power plants with 1,819 MW.)


- Post 2024 Power Marketing Plan kicking off 2015! Soon the Proposed Power Marketing Criteria will be published in the Federal Register with 120 day comment period.

- Tribes encouraged to comment to make a power marketing plan that works for you and protects your existing allocations.
EPA Carbon Regulations under Clean Air Act §111(d)
- US Supreme Court ruled against EPA’s scaling back of emissions based on timing of cost reviews June 2015.
- US Supreme Court allowed greenhouse gas emission regulation June 2014.

Hydropower – New Laws 113th Congress
- Hydropower Regulatory Efficiency Act
- Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act

Energy Efficiency
- Improvement Act signed April 30, 2015
  - Better Buildings Act
  - Grid-enabled water heaters
  - Information on commercial buildings
- Federal Building Energy Conservation Act of 2015 (S. 869)

Renewable Tax Credits: Many including Renewable Production Tax Credit ($0.023/kWh) and Investment Tax credit (30%) ended in 2014. Senate finance committee voted to extend through 2016.

Grid and Generation Reliability
- Bulk Power System Reliability Impact Statement Act (S. 1221)
- Electric Reliability and Forest Protection Act (H.R. 2358) BLM and Forest Service

Security
- Cyber Security Emergency Authority Act (S. 1068)

Nuclear
- DOE required to build a nuclear waste facility after 2012 report. EIS underway for Yucca Mountain.
- Tax Credit for new nuclear facilities
- Small Modular Reactors – DOE funding
Toxic Substances Control Act (S. 697)

FEMA Disaster Assistance Reform Act of 2015 (H.R. 1471)

EPA Rule to revise National Ambient Air Quality Standards for ozone. (79 FR 75234)

Listing of the Long Eared Bat as Endangered under ESA

Revision of “Waters of the US” as recently defined by EPA rule.

Coal Combustion Residuals Regulation Act of 2015 (H.R. 1734)

FCC’s Connect America Funding to provide broadband to rural communities

Gas Utility Issues

- Pipeline Safety & Security
- Tax policy to encourage investment in infrastructure
- Air quality/methane emissions
- Natural Gas as a transportation alternative
- Keystone XL Pipeline hearings continue
New Mexico Energy Policy and Program Issues

- Carbon Neutrality –
  - City of Los Alamos by 2040.
  - Albuquerque by 2030 (“2030 District”)
  - University of NM (2030 District)
  - Belen

- Energy Efficiency programs offered by all for-profit utilities.

- Low Income Programs

- State utility taxation

- Renewable Portfolio Standard
  - IOUs: 15% by 2015, 20% by 2020. Diversity- 30% Wind, 20% Solar, 5% other, 3% DG by 2015.
  - Rural Electric Cooperatives: 5% by 2015, 10% by 2020

- Rights of Ways – NM PRC has allowed rate surcharges that apply only to customers living within boundaries of a Pueblo when the Pueblo charge right of way costs to utilities.

- Mora County’s Fracking Ban struck down by federal court as unconstitutional.
Questions?