

NEW MEXICO PUBLIC REGULATION COMMISSION

COMMISSIONERS

DISTRICT 1 KAREN L. MONTOYA, CHAIRWOMAN

DISTRICT 2 PATRICK H. LYONS

DISTRICT 3 VALERIE ESPINOZA

DISTRICT 4 LYNDA LOVEJOY, VICE CHAIR

DISTRICT 5 SANDY JONES



NMPRC MEDIA CONTACT

Carlos A. Padilla

Public Information Officer

Office: 505-827-4446

Mobile: 505-467-9116

carlos.padilla2@state.nm.us

1120 Paseo de Peralta

Santa Fe, NM 87504

CHIEF OF STAFF

S. Vincent Martinez

FOR IMMEDIATE RELEASE: May 28, 2015

NEWS RELEASE

PRC Orders CCN Hearing for San Juan Case

SANTA FE – While many viewed Wednesday’s action as a time extension, the order signed by the Public Regulation Commission (PRC) sets a hearing on the merits of Public Service Company of New Mexico’s (PNM) request for a Certificate of Convenience & Necessity (CCN) for the additional 132 megawatts of the San Juan Generating Station, and requires PNM to file a plan, which could include final, signed agreements, by no later than July 1, 2015 or risk having their CCN application denied.

The finality and cost-effectiveness of the new agreements yet to be signed will be examined by the PRC. The hearing will also address the sufficiency of alternative generation sources to replace the capacity of Units 2 and 3 at the San Juan Generating Station.

If PNM files its plan by the July 1 deadline, the Commission will then determine whether the 132 megawatts at San Juan Unit 4 is the most cost-effective resource to replace the capacity of San Juan Units 2 and 3, which PNM proposes to abandon.

Any request to extend the July 1 deadline must be filed no later than June 3, and must be sufficiently supported by specific and verifiable facts. In addition, any request for extension requires a showing of good cause by PNM as to why the requested agreements cannot be executed and filed before July 1. Responses to any such extension request must be filed by June 10.

Under no circumstances will any extension be allowed to extend beyond August 1, 2015, according to the approved order.

In the event PNM fails to file final executed agreements, PNM is ordered to file plans – with supporting testimony – for alternative replacement resources sufficient to replace the capacity of Units 2 and 3.

PRC Chairwoman Karen Montoya stated that she believes that the hearing that was ordered on the merits of the CCN is critical. “The cost information that will come out is an important factor in this decision,” Chairwoman Montoya stated.

Commission Vice-Chair Lynda Lovejoy, in her move to accept the order, which went on to garner 4-1 support, stated, “It is time to send a very stern message to PNM. PRC Staff and this Commission have worked very hard in keeping with a standard time schedule to avoid unnecessary delays, and the piecemeal documents provided by PNM still are not producing the most important information up to this point.”

Commissioner Valerie Espinoza, who cast the lone dissenting vote on this matter, stated during Wednesday’s meeting, “I think it’s time to vote this thing down once and for all,” drawing applause from a number of those in attendance. “The record has been developed and it’s been closed, and the more opportunities to get signatures isn’t in the best interest of the public,” she continued. “There’s been promises made in the past, and today’s the day. [PNM] has a lot of attorneys, and we have limited resources to be fighting this.”

Commissioner Sandy Jones stated that he's pleased with the Commission's decision to hold a hearing on PNM's CCN Application, rather than continue the hearing on the Stipulation that was filed in this case last year. "Until now, the Commission's authority has been limited to accepting, rejecting or modifying the Stipulation, and any modifications could be accepted or rejected by PNM or the other stipulating parties," Commissioner Jones said. "By holding a hearing on merits of the CCN Application, the Commission will finally be in a position to make a final, binding determination on the most contentious issue in this case and bring this case to a successful conclusion."

About the NMPRC

The NMPRC regulates public utilities, telecommunications companies and motor carriers operating in the State of New Mexico. It also administers the State Fire Marshal's Office, the New Mexico Firefighters Training Academy in Socorro, N.M., and the Pipeline Safety Bureau.

###