

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-25

3 INTRODUCED BY:

4 Councilor Chris Rivera  
5 Councilor Bill Dimas  
6 Councilor Chris Calvert  
7 Councilor Carmichael Dominguez  
8 Councilor Ron Trujillo  
9 Councilor Patti Bushee  
10 Councilor Peter Ives  
11 Councilor Joseph Maestas  
12 Councilor Signe Lindell

13 A RESOLUTION

14 RELATING TO PUBLIC SERVICE COMPANY OF NEW MEXICO'S PLAN TO REPLACE  
15 836 MEGAWATTS AT THE SAN JUAN GENERATING STATION, PRC DOCKET #13-  
16 000390-UT; URGING THE NEW MEXICO PUBLIC REGULATION COMMISSION TO  
17 MODIFY PNM'S PLAN AND CLAIMS FOR COST RECOVERY.

18 WHEREAS, on February 15, 2013, Governor Susanna Martinez, the Public Service  
19 Company of New Mexico (PNM), and the Environmental Protection Agency (EPA) announced an  
20 agreement to close San Juan Generating Station (SJGS) Units 2 & 3 (836 megawatts), install  
21 pollution controls on Units 1 & 4, and reduce state permit levels for nitrogen oxides and sulfur  
22 dioxides; and

23 WHEREAS, the City of Santa Fe applauds the agreement between Governor Martinez, PNM  
24 and the EPA to close SJGS Units 2 and 3, to install pollution controls, and to reduce state permit  
25 levels for nitrogen oxides and sulfur dioxides as referenced in the Revised State Implementation Plan;  
and

WHEREAS, PNM's replacement power plan submitted to the Public Regulation

1 Commission (PRC) on December 20, 2013, as part of docket # 13-00390-UT, includes the following:

- 2 (1) PNM is owner of 50% of units 2 & 3, or 418 megawatts;
- 3 (2) The purchase of 78 megawatts more coal from SJGS Unit 4 for 52.5 million dollars;
- 4 (3) A certificate of public convenience and necessity to import nuclear generation (134  
5 megawatts) from Palo Verde Nuclear Generating Station (PVNGS) Unit 3 in  
6 Arizona, at a rate-base valuation of \$335 million dollars;
- 7 (4) The construction of a new peaking natural gas plant (177 megawatts) cited in  
8 Farmington for \$189 million;
- 9 (5) Construct 40 megawatts of utility scale solar power;
- 10 (6) Recovery of the \$205 million dollars in un-depreciated assets for the closure of SJGS  
11 Units (also known as “stranded assets”); and
- 12 (7) Pollution controls on SJGS Units 1 and 4 for 82 million dollars; and

13 **WHEREAS**, climate scientists worldwide are in near-unanimous agreement that the planet is  
14 warming rapidly and to a degree that is perilous to human civilization, to numerous species and to the  
15 global ecosystem and that the primary cause of that warming is human activity, especially through the  
16 accelerating combustion of fossil fuels that create CO<sub>2</sub> as a byproduct; and

17 **WHEREAS**, according to the 2013 Intergovernmental Panel on Climate Change Report  
18 Atmospheric concentrations of CO<sub>2</sub>, methane and nitrous oxide have increased to levels  
19 unprecedented in the last 800,000 years, and CO<sub>2</sub> concentrations have increased by 40% since pre-  
20 industrial times and the continued release of greenhouse gases diminishes our chances of avoiding  
21 catastrophic climate change; and

22 **WHEREAS**, further delay in responding to this crisis increases the risk of catastrophic  
23 climate change, imminently threatens low-lying coastal areas and land and sea species, threatens  
24 water supplies, increases the frequency of severe weather events, reduces the time available and  
25 increases the cost of undertaking adequate responses, and increases risks to the global economy; and

1           **WHEREAS**, the burning of coal is the number one contributor to global CO<sub>2</sub> emissions  
2 worldwide and in the state of New Mexico is responsible for more than 12 million tons of CO<sub>2</sub>  
3 emissions annually; and

4           **WHEREAS**, the burning of coal releases toxic pollutants including nitrogen oxides, sulfur  
5 dioxides, particulates and mercury that contaminate our air, soil and water and that are proven to  
6 cause serious health conditions such as asthma, lung, and heart disease and cancer; and

7           **WHEREAS**, a 2012 analysis by a nationally recognized Environmental Medicine NYU  
8 Professor, Dr. George Thurston, found that over the last five years pollution from the San Juan coal  
9 plant has cost \$240 million in public health care costs (asthma, lung disease, heart disease, and  
10 hospitalizations); and

11           **WHEREAS**, according to the 2013 Community Health Profile Study commissioned by Santa  
12 Fe County and CHRISTUS St. Vincent Regional Medical Center, 24% of Santa Fe County high  
13 school students have been diagnosed with asthma, therefore, any sources of pollutants that do or may  
14 impact the quality of air in Santa Fe is of concern to the City of Santa Fe and its residents; and

15           **WHEREAS**, the combustion of coal and nuclear energy are among the most water intensive  
16 ways to produce electricity; and

17           **WHEREAS**, the SJGS plant consumes 6 billion gallons of water annually, which is the  
18 equivalent to 11,000 gallons a minute; and

19           **WHEREAS**, Governor Martinez has issued a formal drought declaration that encompasses  
20 the entire state of New Mexico; and

21           **WHEREAS**, according to the U.S. Drought Monitor, one hundred percent of New Mexico  
22 was in moderate drought at some point during 2012, with over ninety percent in severe status; and

23           **WHEREAS**, communities exist where drinking water supplies are threatened due to the  
24 cumulative effects of drought; and

25           **WHEREAS**, the State of New Mexico has suffered through numerous natural disasters

1 associated with the drought, including crop production and livestock loss, severe wild fires, and  
2 flooding due to severe wild fires; and

3         **WHEREAS**, “Drought conditions can create serious problems for many New Mexico  
4 communities, farms, ranches, and open spaces. Fire danger is high, water reservoirs run low, and in  
5 some cases, we’ve seen towns like Las Vegas take dramatic steps to reduce basic water consumption  
6 in their residents’ homes and businesses,” said Governor Martinez; and

7         **WHEREAS**, the energy industry has not sufficiently transitioned to less water consumptive  
8 forms of energy generation; and

9         **WHEREAS**, the cost of coal is expected to continue to increase due to emissions regulation  
10 as part of President Obama’s Climate Change Action Plan and coal ash regulation that the  
11 Environmental Protection Agency intends to issue; and

12         **WHEREAS**, the environmental and human health costs of nuclear energy development and  
13 production are well documented; and

14         **WHEREAS**, according to the National Cancer Institute, the following diseases can be caused  
15 by exposure to radon, uranium, and decay elements of uranium: bronchial and lung cancer, leukemia  
16 and other blood diseases, cancer of the bone marrow, stomach, liver, intestine, gall bladder, and  
17 kidney, failure of the kidney or liver, psychological disorders and birth defects; and

18         **WHEREAS**, safe nuclear waste disposal requires storage for at least one-thousand years and  
19 permanent storage space is not currently available; and

20         **WHEREAS**, U.S. nuclear plants generate about two thousand tons of spent fuel a year and  
21 since the 1950s, ratepayers have contributed \$27 billion to pay for permanent disposal; and

22         **WHEREAS**, improper disposal and risk of accidents pose serious environmental and public  
23 health threats; and

24         **WHEREAS**, the price per kilowatt-hour of the nuclear energy proposed for the Replacement  
25 Power Plan may be more expensive than alternatives that include more solar and wind powered

1 generation; and

2           **WHEREAS**, the City of Santa Fe Municipal Charter charges the governing body with the  
3 responsibility "to secure for ourselves and our children the continuity of our cultural values, our  
4 personal freedoms, and our well-being," declares that "[t]he natural beauty of Santa Fe" is "among the  
5 city's most valued and important assets," and charges the governing body of Santa Fe to "protect,  
6 preserve and enhance the city's natural endowments, plan for and regulate land use and development,  
7 manage the city's growth, encourage source reduction," and take such actions as are necessary to do  
8 so; and

9           **WHEREAS**, the City of Santa Fe has a record of accepting these responsibilities and  
10 acknowledging the reality of climate change, probable effects of climate change on our City, and our  
11 ability and responsibility to reduce our contribution to the causes of climate change - as evidenced by  
12 the City's endorsement of the U. S. Conference of Mayors Climate Protection Agreement; the  
13 adoption of the Sustainable Santa Fe Plan (Resolution 2008-93); the establishment of the Sustainable  
14 Santa Fe Commission; and the passing of Resolutions addressing these concerns (e.g., Resolutions  
15 2009-45,2011-17, 2012-12,2013-12, and 2013-12, among others); and

16           **WHEREAS**, the closure of San Juan Units 2 & 3 presents a critical opportunity to transition  
17 away from fossil fuels and present an opportunity for PNM to rapidly deploy renewable energy  
18 technologies to meet New Mexico's energy demands; and

19           **WHEREAS**, New Mexico has some of the best solar and wind energy potential in the  
20 country and the benefits of solar and wind energy production will include not only CO<sub>2</sub> emissions  
21 reductions, but also better health and environmental outcomes than fossil-fuel or nuclear energy, and  
22 can stimulate the creation of jobs in New Mexico; and

23           **WHEREAS**, solar and wind are cost-competitive energy sources, and a resource  
24 replacement alternative to PNM's proposal, that includes more of these renewable resources and does  
25 not include additional coal or nuclear generating capacity, may be less costly than than PNM's plan.

1           **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
2 **CITY OF SANTA FE** that the Governing Body recognizes that:

- 3           (1)     The pollution caused by humans burning fossil fuels is established by scientists as a  
4                   primary cause of climate change;
- 5           (2)     The City of Santa Fe Municipal Charter charges the governing body with protection  
6                   of our city's residents and natural assets; and
- 7           (3)     a necessary measure to address this problem is to replace conventional energy  
8                   resources with renewables .

9           **BE IT FURTHER RESOLVED** that the Governing body is concerned that PNM's  
10 replacement power plan, as filed:

- 11           (1)     may not achieve the City's CO<sub>2</sub> reduction goals;
- 12           (2)     may not achieve the City's energy efficiency goals;
- 13           (3)     may not be the lowest cost solution;
- 14           (4)     is not the best environmental outcome;
- 15           (5)     may not provide the best employment opportunities for New Mexico;
- 16           (6)     is not the healthiest option for the people of New Mexico and of Santa Fe;
- 17           (7)     does not take into account recognized external costs to human health and air quality;
- 18           (8)     continues to support investments in energy sources that is not in the best interest of  
19                   the public of New Mexico or the ratepayers of New Mexico; and
- 20           (9)     unfairly places too much of a financial burden on PNM's rate payers.

21           **BE IT FURTHER RESOLVED** that the Governing Body strongly urges the Public  
22 Regulation Commission to require that PNM's replacement power plan include as much renewable  
23 energy as is technically and economically feasible.

24           **BE IT FURTHER RESOLVED** that the Governing Body urges the Public Regulation  
25 Commission to deny or reduce PNM's claim for un-depreciated "stranded" assets.

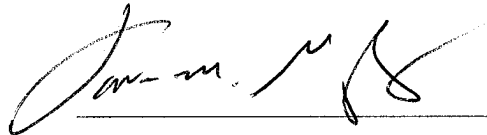
1           **BE IT FURTHER RESOLVED** that the Governing Body urges the New Mexico Public  
2 Regulation Commission to require that PNM reduce carbon-dioxide emissions associated with its  
3 utility service in amounts consistent with what the vast majority of climate scientists conclude is  
4 necessary to avoid the most severe impacts of climate change.

5           **BE IT FURTHER RESOLVED** that the Governing Body urges PNM and the NM PRC to  
6 consider in their analyses the total environmental, health and societal costs of coal produced energy.

7           **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this  
8 resolution to the Public Regulation Commissioners and their General Counsel as a portion of official  
9 public testimony on behalf of the City of Santa Fe in Docket #13-000390-UT that is before the  
10 Public Regulation Commission.

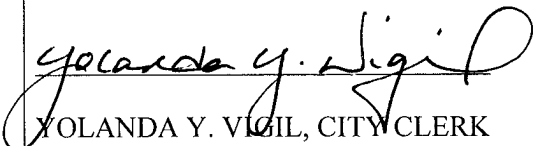
11           **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this  
12 resolution to the New Mexico's Congressional Delegation.

13           PASSED, APPROVED, and ADOPTED this 26<sup>th</sup> day of March, 2014.

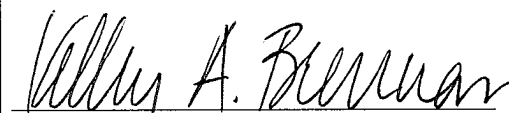
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16           JAVIER M. GONZALES, MAYOR

17           ATTEST:

18  
19   
20           YOLANDA Y. VIGIL, CITY CLERK

21           APPROVED AS TO FORM:

22   
23  
24           KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

25           M/Melissa/2014 Resolutions/2014-25 Replacement Power – Energy Plan