

San Juan Generating Station Update

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Talk to us.



OCTOBER 12, 2016

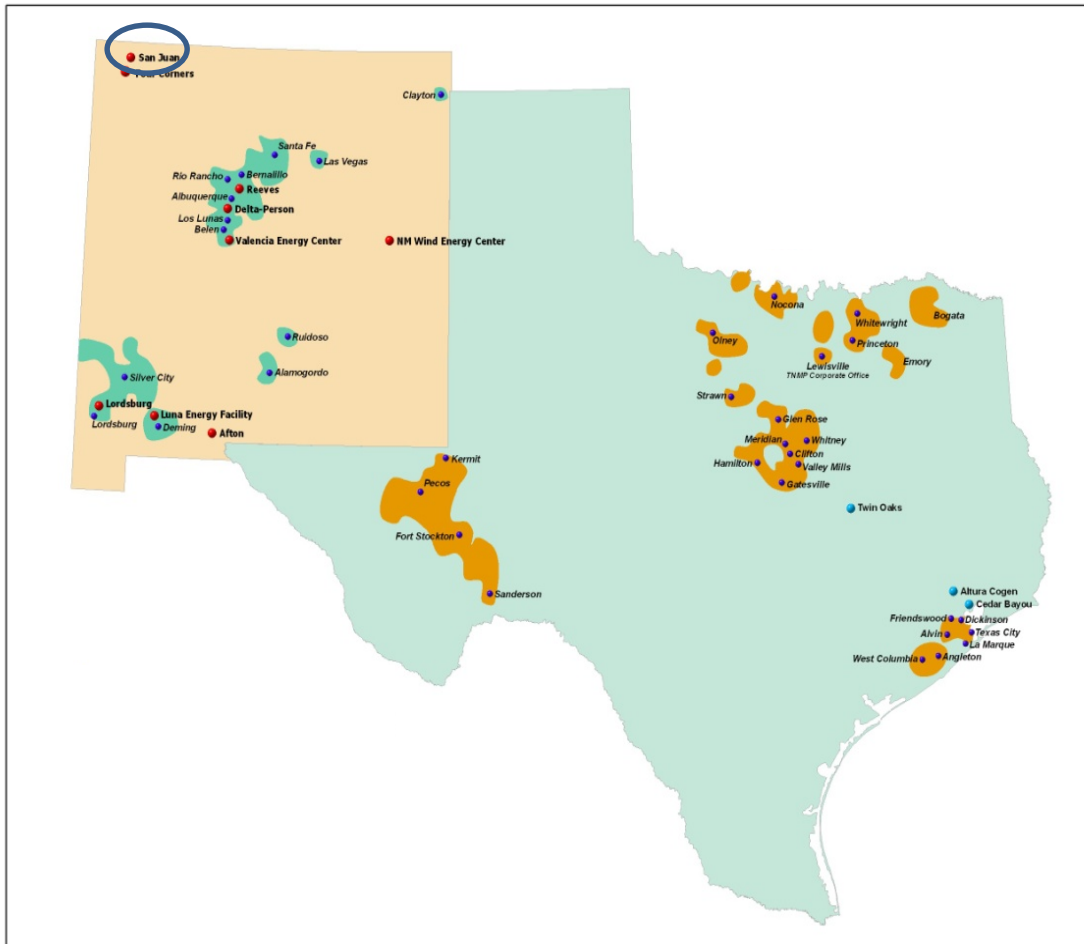
OVERVIEW

SAN JUAN GENERATING STATION UPDATE

- PNMR Profile
- Annual Emissions
- San Juan Generating Station
 - Current
 - 2017 Changes
- Capacity Mix
- What's Ahead

PNMR PROFILE

NM AND TX SERVICE TERRITORIES



- New Mexico
- More than 500,000 customers
- Fully integrated generation, transmission and distribution company
- San Juan Generating Station serves 2M customers in Southwest

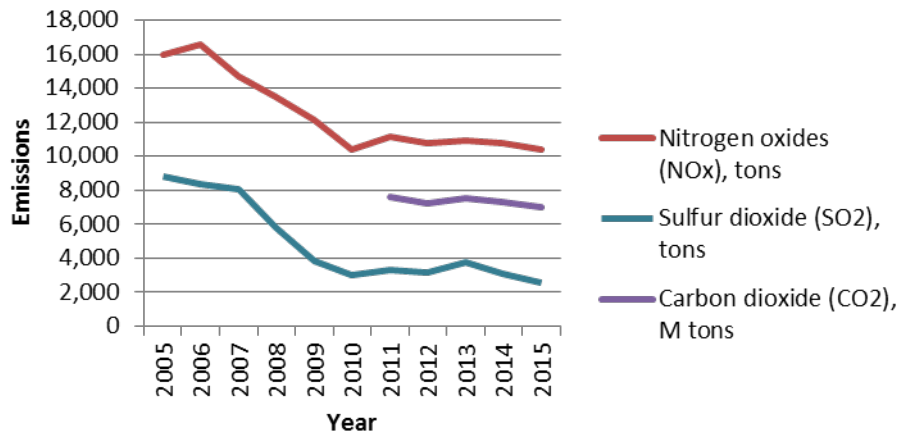


- Texas/ERCOT region
- About 235,000 end users
- Transmission and distribution company

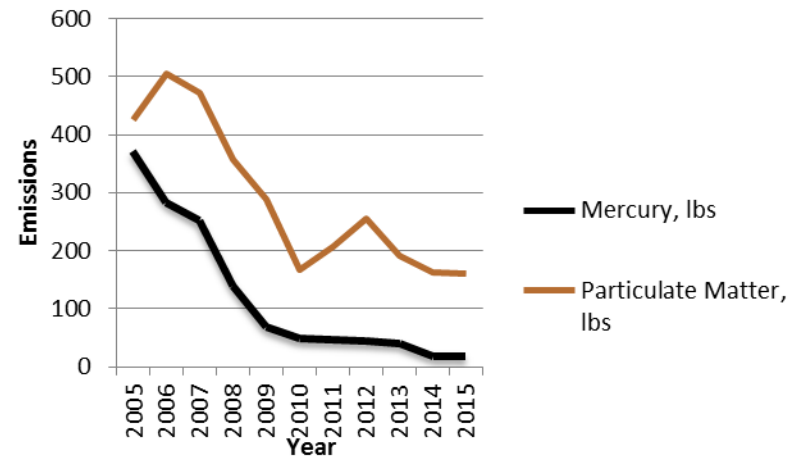
ANNUAL EMISSIONS

PNM-OWNED FACILITIES: EMISSIONS 2005 - 2015

NOx, SO2 and CO2 Annual Emissions



Mercury & Particulate Matter Annual Emissions



SAN JUAN GENERATING STATION

CURRENT STATE

- San Juan Generating Station is a four unit coal-fired generator located west of Farmington, New Mexico.
- The plant has a net capacity of 1,683 megawatts:
 - Unit 1, 340 MW
 - Unit 2, 340 MW
 - Unit 3, 496 MW
 - Unit 4, 507 MW
- The oldest unit (Unit 2) online in 1973, and the newest unit (Unit 4) online in 1982.
- As part of the NM state plan to address the Regional Haze Rule, SNCR installed on Units 1 and 4 in 2015 to further reduce nitrogen oxide emissions.

SAN JUAN UNITS 2 & 3 RETIREMENT

- 2017 San Juan Units 2 and 3 Retirement
 - Units 2 and 3 retired by the end of 2017
 - Will reduce CO₂ emissions by approximately 6 million metric tons per year
 - Reduces PNM's carbon dioxide emissions system-wide by about 23%
 - After 2017, PNM, Tucson Electric, the City of Farmington, Los Alamos County and the Utah Association of Municipal Power Systems, and PNM Merchant will co-own Units 1 and 4
 - Operating & fuel supply agreements run until 2022

SAN JUAN GENERATING STATION EMISSIONS REDUCTIONS (BASED UPON PERMIT LIMITS*)

San Juan	NOx	SO ₂	Particulate Matter	Mercury	CO ₂
Emission Reductions after 2009 Environmental Pollution Control Upgrades	44% ↓	71% ↓	> 72% ↓	99% ↓	N/A
2012** Emissions (tons per year)	21,000	10,500	2,380	0.005	11,906,236
Emission Reductions from 2012 to 2018 Revised State Implementation Plan (2 unit shutdown/2 unit selective non-catalytic reduction)	62% ↓	67% ↓	50% ↓	50% ↓	47% ↓
Projected Emissions in 2018 (tons per year)	8,011	3,483	1,184	0.002	6,359,750

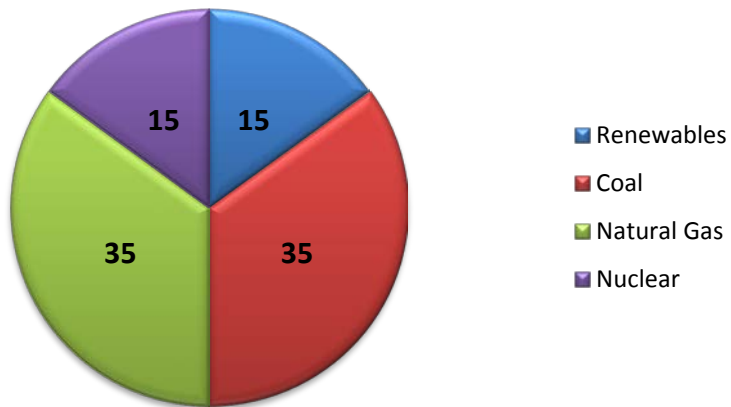
* Mercury and CO₂ numbers are based upon actual emissions since there are currently no permit limits for these constituents.

** 2012 chosen as base year to match the base year of EPA's Clean Power Plan for reduction of CO₂ emissions for fossil generation.

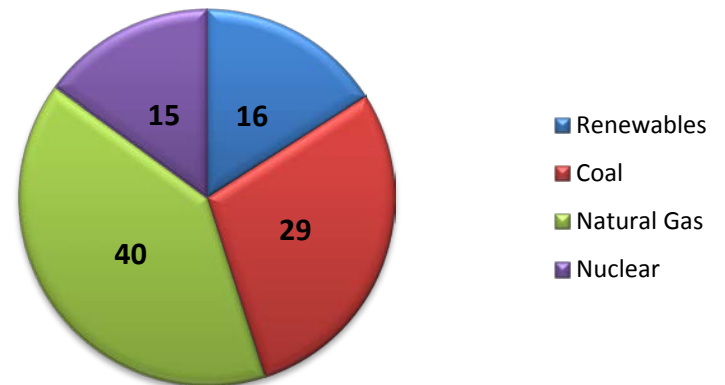
RESOURCE MIX

CAPACITY MIX

**Current Capacity Mix (% MW),
2015**



**Forecasted Capacity Mix (% MW),
2018**



WHAT'S AHEAD

INTEGRATED RESOURCE PLAN (IRP)

- PNM's 2017 – 2036 Integrated Resource Plan underway
 - Examines a 20-yr resource plan horizon- revisiting every 3 years
 - Analysis elements includes analyzing San Juan under two scenarios:
 - Continuation
 - Abandonment after current fuel supply agreement
 - Results in a resource map and documents actions to achieve plan (4-year action plan)
 - Improve plan through public advisory
 - File with NM PRC for review & acceptance
- Schedule
 - July 2016 – February 2017: Build assumptions, scenarios and sensitivities; discuss analysis plan and findings
 - March- June 2017: Review/discuss draft report
 - July 1, 2017: File final report with NM PRC
- For more information, go to www.pnm.com/irp

Thank you



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