

INSIGHTS

New Mexico Promotes Transmission Solutions for Renewable Energy Development, Ups RPS

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Developing renewable energy far from load centers demands construction of transmission. But which comes first "the generation or the transmission? Several Western states, including [California](#) and [Texas](#), are addressing this issue, and New Mexico has recently adopted its solution. The state enacted [legislation](#) that will create the New Mexico Renewable Energy Transmission Authority, a quasi-governmental agency that will plan, finance, acquire and build power lines and energy storage projects.

The Authority will have power to designate transmission corridors, negotiate with other entities on the establishment of interstate corridors, and use eminent domain authority to help get projects built. Eligible transmission projects must transmit at least 30% electricity from renewable sources within a year of commencing operations. The Authority is not to undertake projects if public utilities or other private entities are performing the act or providing the services in question. The legislation also establishes the procedures the Authority is to use in undertaking projects, and grants the Authority power to issue Renewable Energy Transmission Bonds to obtain financing. Among other Western states, [Wyoming](#) also has a transmission authority that likewise is intended to help export electricity produced by state's energy resources.

New Mexico Governor Richardson also signed [legislation](#) increasing the state's renewable portfolio standards. The state's previous RPS directed utilities to include, by 2011, a minimum of 10% renewable energy in the energy they sold at retail. Under the new law, the goal has been set at 15% by 2015 and 20% by 2020. In addition, rural electric cooperatives will now be subject to the RPS requirements, although at a lower level, needing to procure 10% of their power from renewable sources by 2021. As has been the national trend of late, New Mexico will allow compliance to be achieved through the purchase of renewable energy credits.