



# 2016 Annual Report

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## TABLE OF CONTENTS

Executive Summary.....	2
Message from the Chairman.....	3
Board of Directors.....	4
Past Accomplishments.....	5
Western Spirit Clean Line Project.....	6
Financial Statements.....	9
RETA's Future .....	10



## *RETA'S Mission*

New Mexico has some of the best wind, geothermal and solar resources in the United States. RETA believes that with a thoughtful, deliberate and pragmatic approach to the development of its renewable resources, New Mexico can develop a major renewable energy industry. Such development will create permanent jobs, protect the environment, reduce greenhouse gas emissions, and further the nation's goals of establishing energy independence through a sustainable and clean energy resource for generations to come.

### **Established:**

RETA was established by the NM legislature in 2007 to plan, finance, develop and acquire high voltage transmission lines and storage projects to promote economic development in New Mexico.

RETA is one of only eight state-level transmission authorities in the United States and only the second to have issued bonds. All RETA sponsored projects must have 30% of its power originate from renewable resources.



## *Message from the Chairman*

Dear Governor and Legislators:

In 2007 the State of New Mexico enacted the "New Mexico Renewable Energy Transmission Authority Act" to diversify New Mexico's economy through the development of our renewable energy resources. The need for RETA has never been greater than now as NM struggles to increase and diversify state revenue sources. Now is the time to foster the renewable energy industry in NM to create a parallel and complementary benefit to those produced by the oil and gas industries. I have had the pleasure of acting as the Chairman of the RETA Board for the past nine years. In my time as Chairman I have seen RETA make incredible strides to promote, develop and finance transmission lines for renewable generation with limited revenues to do so.

RETA was instrumental in the construction of the High Lonesome Mesa Project in Torrance County, a project Torrance County and the Estancia School District have benefited from for years. RETA remains the only State Authority to create a public/private partnership with the development of the Western Spirit Clean Line Project. This one project has the potential to bring nearly a billion dollars of investment to our State.

The RETA Board does not take its mission lightly and we are diligently working to develop projects that will benefit the State and provide RETA with the self-sufficiency that is expected of us. Transmission infrastructure takes years to develop, but we believe we are closer than ever to realizing our goals of building the Western Spirit Clean Line Project. I would ask for your continued patience and support as we endeavor to construct these critical infrastructure projects for the citizens of our State.

Sincerely, Robert Busch

# *RETA Board of Directors*

**Robert Busch, Chairman**



*Governor Appointee*

**Brian Moore**



*Governor Appointee*

**Robert Apodaca**



*House Speaker Appointee*

**Jonathan Elms**



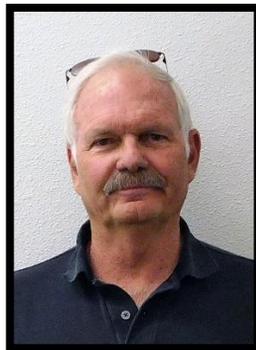
*Governor Apointee*

**Louise Martinez**



*EMNRD Representative*

**Dr. James Miller**



*Senate Pro Tem Appointee*

**Tim Eichenberg**



*State Treasurer*

# *RETA's Accomplishments*

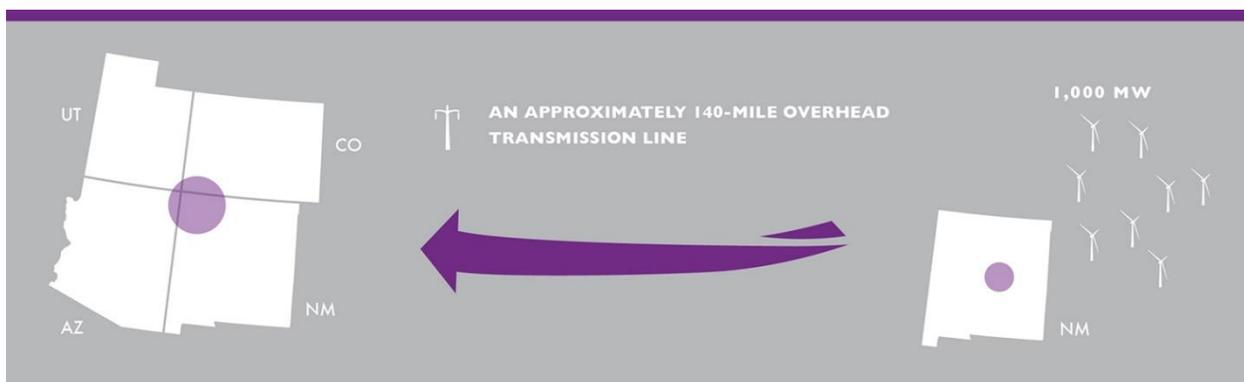
## **2008-2015**

- Established corridors through SM44 sponsored by Senator Keller.
- Issued \$50 million in revenue bonds for the High Lonesome Mesa 100 MW wind farm in Torrance County.
  - This project over a 20-year period provides \$9.7 million to Torrance County and Estancia Schools and \$12.3 million to local landowners.
- Commissioned Los Alamos National Labs to complete an independent statewide 20-year transmission plan for the State.
- Provided a letter of support for the Pueblo of Zia on a DOE Grant proposal.
  - The Pueblo of Zia received the grant and with RETA's participation completed the study.
- Had formal agreements in place with five transmission projects under development in NM (Western Spirit Clean Line, Centennial West, Lucky Corridor, SunZia and the Mora Line Project).
- Created the first ever public/private partnership with a state authority to develop the Western Spirit Project.
  - Over \$6 million of private money has been invested in the effort while RETA has not been required to invest any funds.
- Participated in EMNRD's ongoing work to promote storage initiatives and participated in the State's Energy Plan.
- Presented to the Quadrennial Review Process established by President Obama.
  - The first-ever interagency review focusing on energy infrastructure to identify the threats, risks and opportunities for U.S. energy and climate.
- Actively worked with the military installations to insure clear communications on potential issues regarding new transmission lines.

# *Western Spirit Clean Line Project*

The Western Spirit Clean Line Project is a 140-mile transmission line, that will collect renewable power from east-central New Mexico and deliver approximately 1,000 megawatts (MW) of power to markets in the western United States that have a strong demand for clean, reliable energy.

RETA began the development of this project in 2011 with Goldman Sachs Infrastructure Partners (GSIP) as the first public/private partnership for the development of a transmission line by a state authority. In 2013, GSIP sold its interest in the Project to Clean Line Energy Partners. Since that time, the Project has continued to make substantial progress. Transmission development takes several years to accomplish and the Western Spirit Project is projected to be in service by 2018.



[www.westernspiritcleanline.com](http://www.westernspiritcleanline.com)

# Western Spirit Project Benefits

## The Project:

- Will provide *hundreds of jobs* to construct, maintain, and operate the wind farms and transmission line.
- Is estimated to pay a total of more than *\$25 million* in property tax payments to NM counties along the route over the first 40 years of operation and a total of over *\$1 million* to NM counties along the route in the first year of operation.
- Will make possible over a *\$1 billion of investment* in up to 1,000 megawatts of new renewable power projects that could not otherwise be built due to limitations of the existing electric transmission grid.
- Represents an investment of at least *\$150 million* that will create a new link between abundant renewable energy resources in NM and areas with strong demand for power.
- Will benefit each of the counties that hosts the line with increased revenue, which can be used towards schools, roads and other local needs.
- Will transmit enough low-cost clean energy to power more than *590,000 homes* each year.
- Is estimated to reduce carbon dioxide pollution by more *than 1.6 million tons*, equivalent to removing over 300,000 cars from the road.

# *Western Spirit Project Progress*

The Western Spirit Project is succeeding! Its current accomplishments include:

## **FERC Approval**

- In June of 2016, the Federal Energy Regulatory Commission (FERC) granted Clean Line the authority to sell transmission rights on the Western Spirit Clean Line. Receiving this authority from FERC allows Clean Line to negotiate market-based rates with potential customers of the Project, likely energy generators in New Mexico or utilities and other load serving entities in the West.

## **Tribal Access**

- Clean Line has negotiated a critical right of way with a tribal nation.

## **Land Acquisition**

- Land acquisition is under way with property owners for right-of-ways.

## **Next Steps**

- Detailed photogrammetric route mapping is underway.
- Clean Line expects to have all necessary authorizations from federal, state, and local governments and agencies during 2017.
- The project is estimated to be completed and placed in service as early as the fourth quarter of 2018.

# RETA Financials

RETA received clean FY 2015 and FY 2016 Audits with no material weaknesses, deficiencies, or non-compliance findings. State support and private funds generated from Project Fees have been the source of RETA's Funding.

## State Funds

FY'	Amount
2008	\$1,000,000
2009	\$500,000
2010	\$500,000
2011*	\$0
2012*	\$0
2013*	\$0
2014	\$250,000
2015	\$350,000
2016**	\$0
2017**	\$0

*\* RETA continued its operations from 2011 – 2013 with prior appropriations and private funds.*

*\*\* RETA's FY16 and FY17 funding requests were line item vetoed.*

## Private Funds

FY'	Project Fees
2011	\$550,000
2012	\$77,174
2013	\$142,933
2014	\$70,018
2015	\$28,731
2016	\$19,676
2017	\$70,000
<b>Total</b>	<b>\$958,532</b>

If RETA can continue operations and place a major project in operation, it will become self-sufficient and eliminate its need for public funding.

## *RETA's Future*

- The farsighted vision of the 2007 legislation and RETA's mission are being delayed and hampered by the lack of continued State support at an especially critical time.
- Although some believe the state has provided enough funding, RETA is not quite to the finish line.
- Starving RETA of public funding is jeopardizing the payback RETA has worked for during the last eight years.
- RETA is within a few years of bringing a major RETA-sponsored project to completion and achieving self-sufficiency.
- RETA will request a Special Appropriation of \$100,000 during the 2017 Legislative Session for FY 2018 funding.
- **RETA's 2017 request can protect well over a billion dollars of new investment in New Mexico.**

