

Stopping Newman 6

The urgency of rejecting El Paso Electric Company's fracked-gas proposal and the legislative paths to do so



EARTHWORKS



VOTE SOLAR



EARTHJUSTICE



By Coalition Against Newman 6:

Earthworks, Chaparral Parents in Action, Vote Solar, Earthjustice, Sunrise El Paso, Rio Grande Sierra Club, more

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Outline of presentation

1. Introduction
2. Newman 6 would be harmful to health and climate
3. Newman 6 is too costly, too much of a burden for ratepayers
4. Newman 6 can be replaced by renewable energy
5. The regulatory relationship between El Paso Electric Co. and the City of El Paso
6. Legislative Paths to oppose Newman 6

Disclaimer

Nothing herein should be construed as legal advice. Nor does it confer an attorney-client relationship. We are residents and stakeholders presenting our research, expertise, and opinions based upon our understanding of science and policy.

Newman 6 would be harmful
to health and climate

Dr. David Garcia, Chaparral community organizer

- Our residence: 8/10ths of a mile from Newman Generating Station
- Toxic pollutants we are exposed to: Carbon monoxide, carbon dioxide, nitrogen oxide, PM, PM2.5 and methane gas.
- Health impacts: upper respiratory illnesses, SW Valley Fever, and asthma.



Angel Ulloa, Sunrise El Paso

- El Paso's astonishing potential for renewable energy: 10th sunniest city in the world
- El Paso Electric Co. has historically deprioritized solar energy:
 - Renewable energy integration (including solar): 3% by 2018, 5% by 2020
- Implications of Newman 6's CO2 emissions - 2.6 billion pounds per year
- There is no time to waste on climate action

Average hours of sunshine for the ten sunniest places on earth

Country	Place	Year	Day
United States	Yuma, Arizona	4015	11.0
United States	Phoenix, Arizona	3872	10.6
Egypt	Asswan	3863	10.6
United States	Las Vegas, Nevada	3825	10.5
Sudan	Dongola	3814	10.4
United States	Tucson, Arizona	3806	10.4
Chad	Faya-Largeau	3792	10.4
Egypt	Kharga	3791	10.4
Sudan	Abu Hamed	3763	10.3
United States	El Paso, Texas	3763	10.3



Newman 6 is too costly, too
much of a burden for
ratepayers

Rick Gilliam, Vote Solar, intervenor at NMPRC

Newman 6 Costs and Bill Impacts



Note: Dollars in millions

EPE N6 Costs as Filed

- Total costs: \$160 million
- TX share: \$128 million
- TX bill impacts: \$1.45/month (1.85%)

Total Costs & Bill Impacts after NM denial

- TX: \$160 million*
- TX share: 160 million
- TX bill impacts: \$1.81/month (2.31%)

EPE Jurisdictional Shares

- TX: 80%
- NM: 20%

EPE ASKED ITS EXPERTS AT ENERGY+ENVIRONMENTAL ECONOMICS TO ANALYZE FOUR SCENARIOS

SCENARIOS

- Scenario 1 – 226 MW of new gas (Newman Unit 6)
- Scenario 2 – 100 MW of new gas + 5-year extension of Newman Unit 1
- Scenario 3 – 49 MW of new gas + 50 MW of solar + 25 MW of batteries + 5-year extension of Newman Unit 1
- Scenario 4 – 324 MW of new gas

COST COMPARISON – BASE CASE

- Scenario 1 is the second-most expensive
- Scenario 2 is the third-most expensive
- Scenario 3 is the lowest cost
- Scenario 4 is the most expensive

CONCLUSION: SCENARIO 3 BEATS NEWMAN UNIT 6 ON COST IN THE BASE CASE AND EVERY SENSITIVITY

Newman 6 can be replaced
by renewable energy

Mark Jacobson, Stanford University

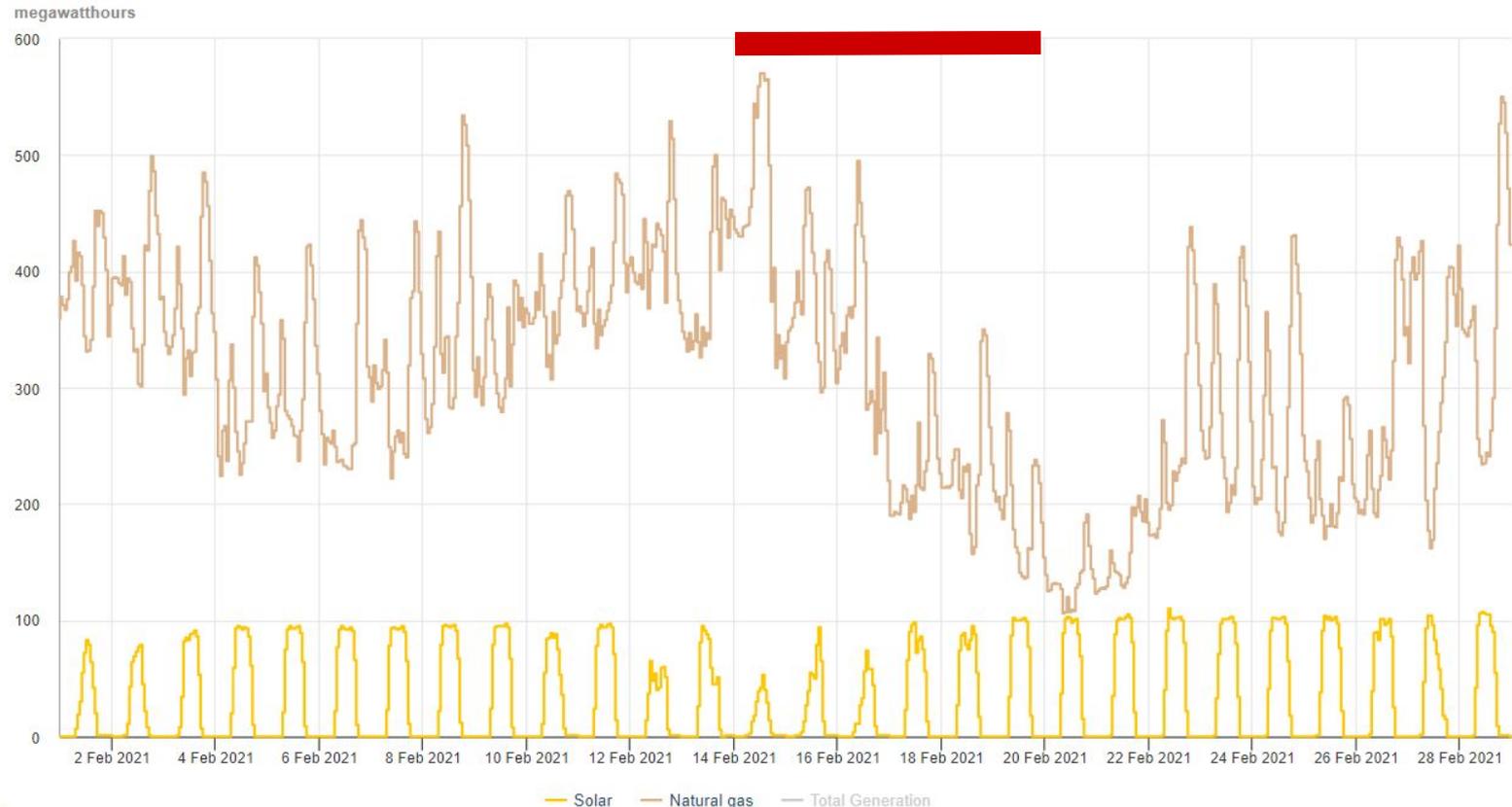
- Professor of Civil and Environmental Engineering at Stanford University
- Previous studies on transitioning to 100% clean renewables
- 54 towns and cities in North America (*Sustainable Cities and Society*, 42, 22-37, 2018)
- 74 metropolitan areas, including 30 megacities (*Energies*, 13, 4934, 2020).
- 143 countries (*One Earth*, 1, 449-463, 2019).
- Latest study: Transitioning Texas to 100% clean, renewable windwater- solar (WWS) energy for all energy purposes (electricity, transportation, building energy, and industry) while keeping the grid stable, even during extreme weather events
- 100% clean renewable energy in El Paso is feasible and affordable



Michael Goggin, Clean Energy Expert

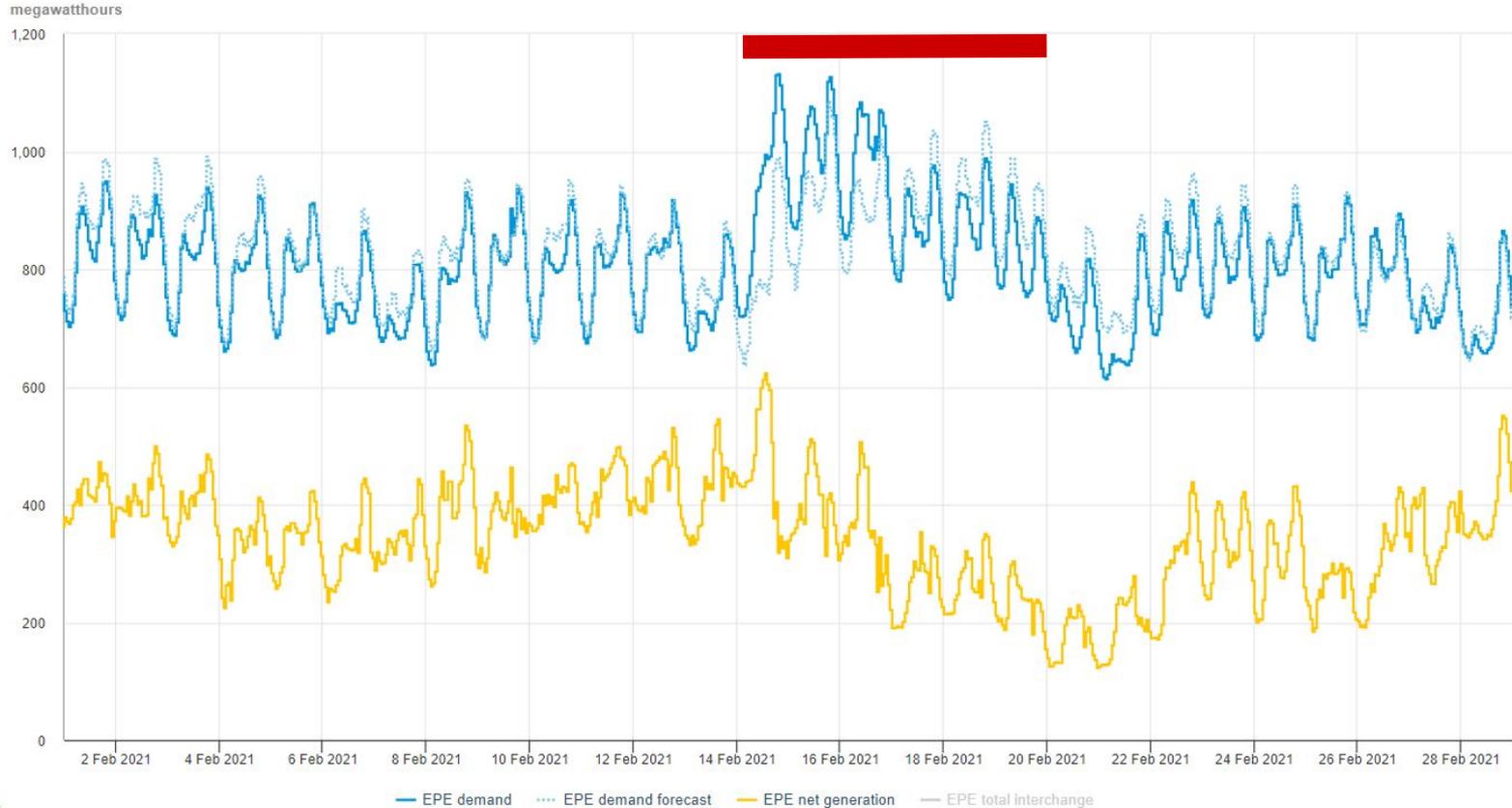
EPE gas generation dropped off during last month's event

EI Paso Electric Company (EPE) electricity generation by energy source 2/1/2021 – 2/28/2021, Arizona Time



Imports supplied 75+% of EPE demand

El Paso Electric Company (EPE) electricity overview (demand, forecast demand, net generation, and total interchange) 2/1/2021 – 2/28/2021, Arizona Time



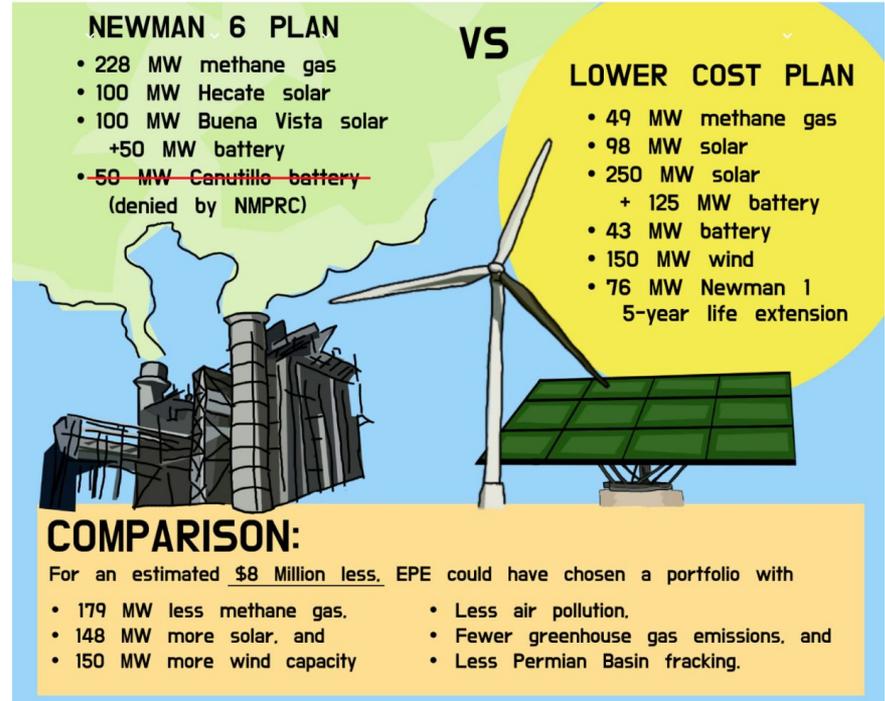
Diversifying with renewables and storage protects ratepayers

- Increasing EPE's gas dependence is a reliability and economic risk, as seen in February 2011 and 2021
- Renewables and storage have no fuel price risk
- Renewables, storage, and transmission work together to provide reliable supply
 - Transmission aggregates diverse renewables
- Renewables and storage superior to gas for reliability services
 - -Faster dispatchability and flexibility
 - -Superior voltage and frequency control
 - -Storage can absorb high renewable output, gas cannot

Ryan Brown, intervenor at NMPRC proceeding

- **Levelized Cost of Electricity (LCOE):** a measure of the net present cost of electricity generation for a power plant over its lifetime.
- PROMOD simulator: Newman 6 is rise in costs for the average customer of \$1.76 per month, solar would only increase costs \$0.35

○



Source: El Paso Herald Post

The regulatory relationship
between El Paso Electric Co.
and the City of El Paso

Jack McDonald, Texas Field Analyst, Earthworks

Deregulation of the Texas Grid:

- SB 7 deregulated the Texas grid in 2002
- Created one of two systems in nearly all Texas cities
 - Privately owned for profit generating companies compete for customers
 - Munis or Co-ops owned and run by the people provide power without competition
- El Paso is unique and avoided grid deregulation under SB 7
- El Paso Electric is both for profit and has no competition (a monopoly)
 - One of only *two* cities in Texas where that is the case
- However, that gives City Council unique ability to control EPE via the franchise agreement

City Council Paths on Newman 6

Aaron Mintzes, Earthworks

Amend the El Paso City Ordinance 16090. Amended in Feb '20, Jan. '20, and Dec. '19.

- The ordinance requires EPE to perform a Renewable Generation Study. Publicly available by about mid June.
- Section 3 of the ordinance (adding Section 9.5c to the Franchise Agreement) re: RGS, EPE can shield info from the public
- Amend El Paso City Ordinance 16090 to provide more transparency and Council discretion over the Renewable Generation Study.

Aaron Mintzes, Earthworks

The City amended the Ordinance in Feb '20 relating to rights-of-way and related land use agreements. (Feb '20 amendment, Sec 9.5a Franchise Agreement)

Section 75.0022 of the Texas Civil Practice and Remedies Code, which states that an electric utility, “may enter into a written agreement with a political subdivision to ***allow public access to and use*** of the premises of the electric utility ***for recreation, exercise, relaxation, travel, or pleasure.***” El Paso, Texas Code of Ordinances, Charter, Article III, Section 3.9 (emphasis added)

Amend the Ordinance to allow greater public transparency and Council approval of these agreements

Conclusion

- Newman 6 is danger to the health, environment, and economic wellbeing of El Paso
- Newman 6 can be replaced by renewable energy projects
- El Paso City Council may impose conditions upon Newman 6

Q&A
