The Role of Federal Policy in New Mexico's Energy Transition

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What I’ll cover

Overview of federal role and opportunities for supporting a clean energy transition

Historical context of federal versus state and local roles in electricity regulation

Legal intricacies of structures and relationships
State of play: complex regulation and oversight
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Power Market Administrators
Department of Energy
State of play: complex regulation and oversight

Public Utility Commissions

Congress
FERC: Existing rules and ongoing discussions

FERC Order 2222

Minimum Offer Price Rule (MOPR)

Carbon pricing in markets

Interregional planning and cost allocation

Federal/State transmission commission
Congress: Existing rules and pending legislation

National Interest Electric Transmission Corridors & siting authority changes

Clean Energy Standard

Grid Deployment Authority

Tax credits and other financial mechanisms

Planning bills
Congress: Existing rules and pending legislation

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...National Transmission Organization?
New Mexico is well positioned as a leader
Transitions are difficult: tensions at play

Consumer demand for renewable energy

Geographic diversity of resources

Salience of reliability and resilience in extreme weather conditions

Concerns over rising costs

Geographic displacement in expertise and investment

Developing technology
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More Power Lines or Rooftop Solar Panels: The Fight Over Energy’s Future

The president and energy companies want new transmission lines to carry electricity from solar and wind farms. Some environmentalists and homeowners are pushing for smaller, more local systems.

New York Times, July 11, 2021
Proposal: Five facets of successful transition policies

Process
Existing process is fragmented and different for each line. The scale of build out needs a transparent and consistent process for developers and investors.

Paying
Financing through power purchase agreements, participation in power markets, or other structures.

Participation
Inclusive, “smart from the start,” sustained interaction should educate, build trust, and incorporate local input and community compensation.

Planning
Studies of current and future conditions including demand and generation, congestion, and other factors to identify priority areas for expansion.

Permitting
Siting and various impact assessments required for permission to build the project at a given location.
Thank You!