

# San Juan Generating Station

*“The top five PNM senior managers make a total of \$7.5 million annually. In a seemingly parallel universe (which is actually the same universe), the average annual household income for the thousands of Native Americans living in the toxic shadow of coal plants like the San Juan Generating Station, owned and operated by PNM, is \$7,200. Climate change is no longer a research project. It is the most pressing issue of our time, and we are out of time. We must transition away from fossil fuels, period.”*

*– Kira Jones, lifelong resident of New Mexico, to the Santa Fe New Mexican*

**Context:** The 1848 MW San Juan Generating Station is one of several coal plants in the San Juan Basin – Four Corners region on/near Navajo Nation land. Already partially closed down and riddled with equipment failure incidents, the closure of San Juan’s remaining two units has long been in discussion. Built between 1973 and 1982, employment at the plant is now at about 280 jobs, though most of the employees are unionized. The power produced in the plant is sold through a large number of utilities from New Mexico and Arizona to California, with the Public Service Company of New Mexico as the largest owner and operator of the plant.

**Transition Negotiation:** In addition to retiring Units 2 & 3, PNM laid out initial plans for the full decommissioning of San Juan Generating Station in its 2017 integrated resource plan (IRP). PNM outlines a plan to build a gas plant and solar plant to replace San Juan’s generation capacity. In addition to planning at the utility level, local community groups and environmental organizations have engaged with state legislature on the proposed Energy Transition Act, which allocates funding for job training for displaced workers and for clean energy projects in the community. Of the many owners of San Juan Generating Station, local owner Farmington Electric Utility System is the only owner that still wants to keep the plant operating.

**State/Plant Owner Funding:** The ongoing legislative discussions in New Mexico are looking to pass securitization policies as a way to finance the retirement of San Juan. Essentially, securitization would allow any costs remaining with the plant to be financed with lower-interest bonds. Based on the language of the act, any power plant looking to close could apply for securitization financing, and the application would be reviewed by the Public Regulatory Commission.

**Federal Funding:** San Juan College and New Mexico local government coalition both secured POWER Grants around the time of the close of Units 2 & 3. San Juan College received \$1.4 million for training workers in clean energy skills, while Northwest New Mexico Council of Governments received a third of a million dollars to develop a strategic plan for energy transition.

Just and Equitable Transition  
Financing: Case Study at a Glance

## San Juan Generating Station



**Facility:** 1848 MW total capacity, four generating units

**Fuel Source:** San Juan Mine

**Location:** Four Corners region, northwest New Mexico

**History:** Built from 1973-1982

**Community:** San Juan County is only a population of 130 thousand, with Farmington as the biggest city and Navajo Nation making up much of the land area

**Employment:** 280 in powerplant, 450 in mine (which also serves Four Corners Generating Station); approx. one-third Native employees

**Environmental Record:** Highly emitting, 2018 silo collapse and fire

**Operator:** Public Service Company of New Mexico (PNM)

**Ownership:** PNM, plus more than 10 utilities and local consumer blocks

**Operation Status:** Units 2 & 3 (924 MW) closed in December 2017, Units 1 & 4 expected to close in 2022

**Nature of Transition Deal:** Ongoing legislative push for securitization, integrated resource planning by utility with largest ownership share

**Transition Funding:** Already some federal funding, but mostly TBD