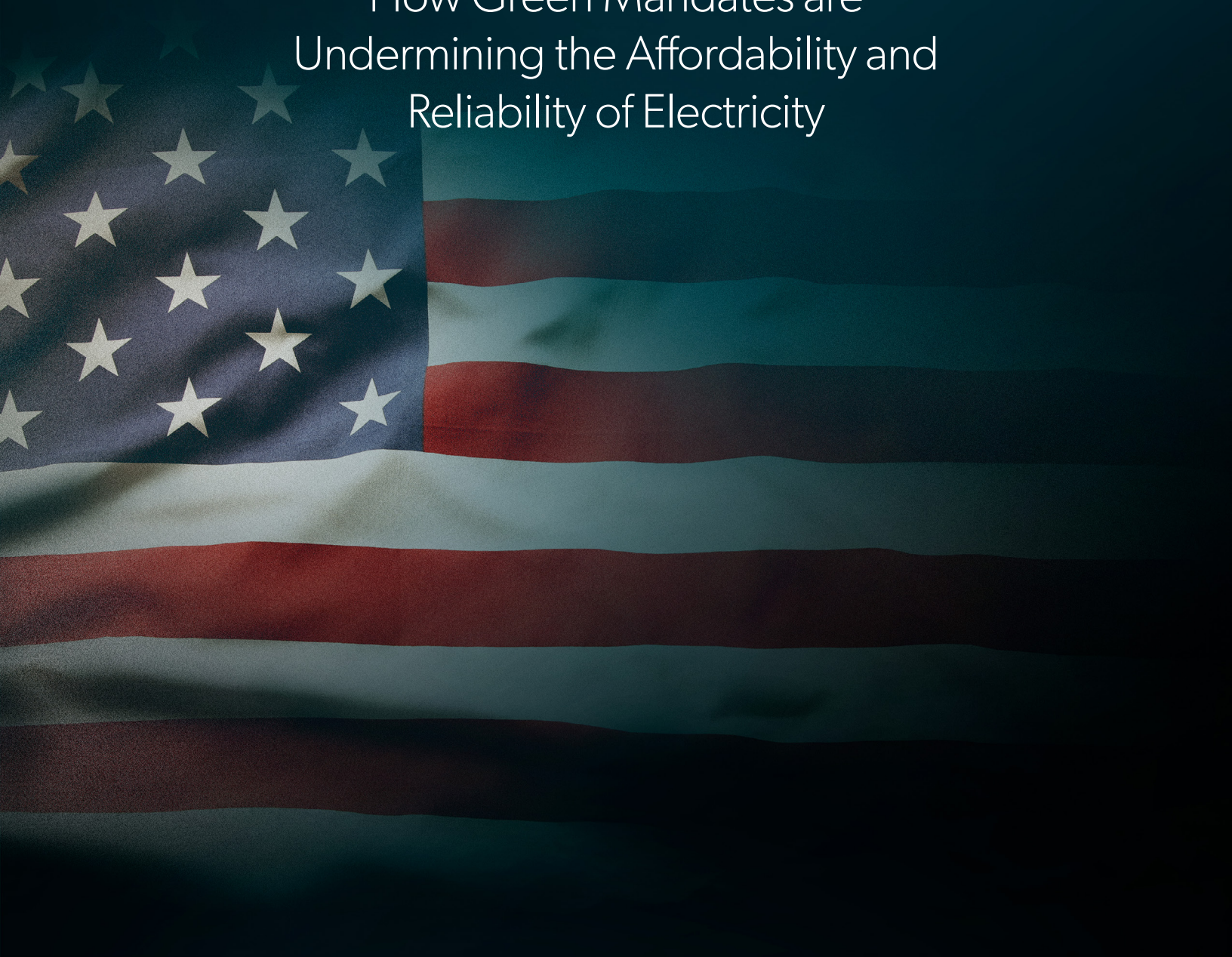




**POWER THE FUTURE**

# LIGHTS OUT

How Green Mandates are  
Undermining the Affordability and  
Reliability of Electricity





# POWER THE FUTURE

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## INTRODUCTION

On Earth Day, President Biden pledged under the Paris Climate Agreement that the United States would reduce greenhouse gas emissions by 50 percent in ten years (below 2005 levels). This goal is as preposterous as it is impractical. Consider that in 2019, U.S. emissions were 13 percent below 2005 levels.<sup>1</sup>

One thing is clear: The Biden Administration is misleading the American people to impose the Green Agenda. Biden can't achieve his pledge without stifling bureaucratic manipulation in every sector of the economy. Biden's climate advisor, Gina McCarthy, said that "this is about basically using the market to generate the kind of reductions we need."<sup>2</sup> This is plainly false, as Biden has already proposed a \$2.3 trillion "infrastructure" plan, replete with massive tax and spending increases, coupled with more regulations and mandates to address climate change.<sup>3</sup>

Yet none of this will make any difference to global climate. In January, President Biden's international climate envoy, John Kerry, revealed the dirty secret of climate change alarmism: none of the subsidies, mandates, fossil fuel bans, tax hikes, electric vehicle charging stations, and much else will have any impact on climate change. "[President Biden] knows Paris alone is not enough," Kerry said, referring to Biden's decision to reenter the Paris Climate Agreement. "Not when almost 90 percent of all of the planet's global emissions come from outside of U.S. borders. *We could go to zero tomorrow and the problem isn't solved.*"<sup>4</sup> (emphasis added)



***We could go to zero tomorrow and the problem isn't solved."***

John Kerry

On this, as in little else, Kerry is right: Even assuming every signatory to the Paris Agreement (the US included, as pledged under President Obama) fulfilled its emissions commitments, the climate impact "is minuscule." In measuring the temperature impact of every nation fulfilling every promise by 2030, the total temperature reduction would be 0.048°C (0.086°F) by 2100. Carry those assumptions out another 70 years, and Paris would reduce temperatures by just 0.17°C by 2100.<sup>5</sup>

1 U.S. Environmental Protection Agency. (2021, April 14). *Inventory of U.S. Greenhouse Gas Emission and Sinks: 1990–2019*. <https://www.epa.gov/sites/production/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf>

2 Sobczyk, N. (2021, April 23). *CLIMATE: Biden made the world a bold promise. Here's Congress' role*. E&E News. [https://www.eenews.net/eedaily/2021/04/23/stories/1063730803?utm\\_campaign=edition&utm\\_medium=email&utm\\_source=eenews%3Aeedaily](https://www.eenews.net/eedaily/2021/04/23/stories/1063730803?utm_campaign=edition&utm_medium=email&utm_source=eenews%3Aeedaily)

3 The White House. (2021, April 9). *FACT SHEET: The American Jobs Plan*. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

4 Bowden, E. (2021, January 27). *Kerry admits zero emissions in US wouldn't make difference in climate change*. New York Post. <https://nypost.com/2021/01/27/kerry-zero-emissions-wont-make-difference-in-climate-change/>

5 Lomborg, B. (2015, November). *Paris climate promises will reduce temperatures by just 0.05°C in 2100* (Press release). <https://www.lomborg.com/press-release-research-reveals-negligible-impact-of-paris-climate-promises>



## 2035: A GREEN RECKONING FOR THE GRID

Biden, Kerry, and their green radical allies bury this inconvenient truth, for the simple reason that it makes a mockery of their policy ambitions. During his presidential candidacy, and now as president, Biden joined forces with congressional Democrats, such as Rep. Alexandria Ocasio-Cortez (D-N.Y.), to reorder the entire American economy via the Green New Deal (GND).

GND policies are unrealistic, practically dangerous, and extremely costly. Last year, as part of the GND, then-candidate Biden pledged to achieve a “carbon-pollution free” electric grid by 2035.<sup>6</sup> More recently, to carry out this promise, he proposed the “American Rescue Plan,” which includes an “Energy Efficiency and Clean Electricity Standard.” It provided no explanation how a grid powered predominantly by windmills and solar panels can keep the lights on.<sup>7</sup>

Democrats on Capitol Hill don’t have the advantage of hiding behind an online policy posting on the White House website, to introduce legislation they’re forced to provide some policy details. In the “Clean Future Act,” a sprawling, nearly 1,000-page energy rationing bill, the economy would be subject to the whims of green bureaucrats. The bill includes a “Clean Electricity Standard” that, if implemented, would effectively render natural gas-powered electricity generation uneconomical over the next decade.<sup>8</sup>

This policy has many private sector adherents, most notably utility company CEOs. Their embrace of climate socialism has translated into bogus

commitments to achieve net-zero emissions from their operations over the next 15 to 20 years. For utilities operating according to a “cost-of-service” model, in which utility costs are passed on to their customers, these green pledges are easy to make.

But they are much harder, and riskier, to achieve, as even these CEOs admit. “I think even the forward-leaning utility executives kind of swallow hard on [the 2035 goal], but what’s interesting is they’re working at it,” said Ernest Moniz, former Secretary of Energy under President Obama.<sup>9</sup>

“While we share the president’s goal of delivering 100% carbon-free electricity to our customers, it is important to achieve this goal in the right way,” said Xcel Energy, which pledged to reduce its carbon emissions 80 percent by 2030, and completely by 2050. “Our strategy is subject to the guardrails of affordability and reliability.” Xcel went on to say that technologies needed to eliminate carbon entirely “are not available today,” meaning that it “must employ dispatchable generation using today’s technologies, primarily natural gas-fired generation.”<sup>10</sup>

American Electric Power (AEP) sees it much the same way. “We definitely see natural gas as a bridge fuel at a minimum,” AEP Executive Vice President and COO Lisa Barton said. “You need to be able to balance the variability of renewables.” She added: “If you really think of a truly electrified economy, the need for reliability is that much more intensified.”<sup>11</sup>

According to data compiled by S&P Global Market Intelligence, nearly “33 GW of new U.S. gas-fired generation is slated to come online between 2021 and 2022,” while another “27 GW is scheduled to enter

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6 Biden For President. (2020, August 5). *The Biden Plan to Build a Modern, Sustainable Infrastructure and an Equitable Clean Energy Future*. <https://joebiden.com/clean-energy/>

7 The White House. (2021, April 9). *FACT SHEET: The American Jobs Plan*. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

8 House Committee on Energy & Commerce. (2021, March). *The CLEAN Future Act – Updates to Discussion Draft Based on Feedback from Stakeholders & Committee Testimony*. <https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/CLEAN%20Future%20Act%20Fact%20Sheet%20FINAL.pdf>

9 S&P Global Market Intelligence. (2021, March 8). *US utilities show enthusiasm, skepticism for 2035 clean power goal*. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/us-utilities-show-enthusiasm-skepticism-for-2035-clean-power-goal-62839408>

10 *Ibid.*

11 *Ibid.*

service between 2023 and 2027.”<sup>12</sup> “I don’t think you can do carbon-free by 2035 unless you ramp up new nuclear construction,” observed CreditSights analyst

## **Going down this road would mean America losing its energy independence, a hard-fought battle that took four decades to accomplish.**

Andrew DeVries. He added that the “challenge is that batteries used to backup renewable capacity are still ‘incredibly expensive’ and cannot yet be deployed universally.”<sup>13</sup>

Yet Biden wants a carbon-free grid by 2035, reality and facts be damned. Consider a recent study by the University of California-Berkeley. The study’s authors analyzed the impacts of a 90-percent carbon-free grid by 2035. The study assumes that all coal plants and most natural gas plants in the U.S. are prematurely retired. Not surprisingly, the results showed higher costs for consumers and a gargantuan—some might say preposterous—build-out of renewables: 1,100 gigawatts of solar and wind capacity by 2035, to be exact, or over 70 gigawatts each year. As the Institute for Energy Research (IER) noted, “This new construction of capacity *is equal to the entire existing U.S. generation system.*”<sup>14</sup> (emphasis added)

Biden’s stated goals are completely unrealistic, and no objective point-of-view can find otherwise. For one thing, would Biden and his radical allies accept the permitting reforms necessary to enable construction of this magnitude? Not likely. Moreover, going down this road would mean America losing its energy

independence, a hard-fought battle that took four decades to accomplish. In turn, America would become dependent on China for the critical minerals and manufacturing needed to supply Biden’s renewable mandates (for more on this, see PTF’s paper on critical and rare earth minerals).<sup>15</sup>

For comparison, a recent study commissioned by the government of The

Netherlands stated, “The current global supply of several critical metals is insufficient to transition to a renewable energy system.”<sup>16</sup> Keep in mind, the population of the United States is nearly 20 times bigger than The Netherlands.

“Unfortunately, the United States is not a mecca for wind and solar or battery manufacturing,” IER noted, “which means that the United States will need to import technology from China and Europe, making the United States dependent on a communist country for its solar panels and rare earth and critical metals needed in the production of wind turbines and solar panels.”<sup>17</sup>

## **IN THE STATES: RENEWABLE ELECTRICITY MANDATES**

Despite these facts, many states are plowing ahead with their own foolish carbon emissions goals and intensifying renewable electricity mandates. In so doing, they are raising costs for consumers, threatening grid reliability, and endangering people’s lives, while doing nothing at all to affect climate change.

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

<sup>14</sup> Institute for Energy Research. (2021, January 21). *Biden’s Carbon Neutrality Plan for Electric Utilities Is Not Realistic*. <https://www.instituteforenergyresearch.org/the-grid/bidens-carbon-neutrality-plan-for-electric-utilities-is-not-realistic/>

<sup>15</sup> Power the Future. (2020, July 13). *Study: The Fight for Rare Earths: How Green Extremists Ignore China’s Human Rights Record and Threaten U.S. National Security*. <https://powerthefuture.com/study-the-fight-for-rare-earths-how-green-extremists-ignore-chinas-human-rights-record-and-threaten-u-s-national-security/>

<sup>16</sup> Van Exter, Perter and others. *Metal Demand for Renewable Electricity Generation in The Netherlands*. Accessed April 26, 2021. [https://circulareconomy.europa.eu/platform/sites/default/files/metal\\_demand\\_for\\_renewable\\_electricity\\_production\\_in\\_the\\_netherlands.pdf](https://circulareconomy.europa.eu/platform/sites/default/files/metal_demand_for_renewable_electricity_production_in_the_netherlands.pdf)

<sup>17</sup> Institute for Energy Research. *Biden’s Carbon Neutrality Plan*.

## TEXAS

Texas is a case in point. Over a week in mid-February 2021, the state experienced an intense cold snap that left millions without power and caused at least 111 deaths.<sup>18</sup> Due to several factors, power plants across the state froze or were forced to shut down by the state's grid regulator, the Electric Reliability Corporation of Texas (ERCOT).

As former ERCOT CEO Bill Magness told a state Senate Committee investigating the event, the state was minutes away from a near-total blackout. "If we had not acted by calling for controlled outages," he said, "Texas would have had a [statewide] blackout."<sup>19</sup>

The results for Texas consumers were disastrous—and, unfortunately, there is more to come. "For Texans, the situation could go from bad to worse," said Marcie Zlotnik, former chairman of Houston-based StarTex Power, an electricity retailer. "I'm concerned about increasing power prices, job losses across the industry, and the long-term implications for the market and consumers, who have already suffered through a horrendous ordeal."<sup>20</sup>

As the crisis unfolded, blame was attributed across the board, from lack of weatherization of the grid to ERCOT's own failure and incompetence. But one factor stood out among the rest: *the state's heavy reliance on (and subsidization of) wind power came up empty at a critical time.*

Renewable advocates were quick to defray blame, noting that wind power in Texas only comprised a fraction of generation reserves. "The wind is not solely to blame," said Wade Schauer of Woods Mackenzie,

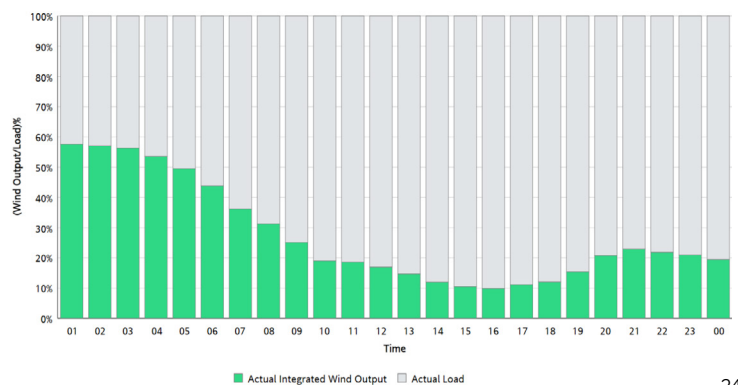
an energy research and consulting firm. "Don't point too many fingers at Texas wind turbines," Bloomberg asserted, "because they're not the main reason broad swaths of the state were plunged into darkness."<sup>21</sup>

Wind-power flacks tried to point fingers, instead, at nuclear, coal, and natural gas. Yet the facts show a far different picture. On February 7, wind provided 42 percent of the state's electricity; 4 days later, after the storm first hit, wind fell to 8 percent.<sup>22</sup> As wind turbines froze, fossil fuel plants saved the day. According to ERCOT data, even as some of those plants were crippled by extreme cold, coal and natural gas plants overall *increased* their output by 47 percent and 450 percent, respectively, in response to increased demand.<sup>23</sup>

The charts below tell the whole story. According to ERCOT (chart #1), on February 8, just before the storm hit, wind peaked at about 58 percent of ERCOT's load (in the early morning hours) and remained strong throughout the day.

Actual Wind Output as a Percentage of the ERCOT Load

02/08/2021



24

18 Herman, B. S. (2021, March 25). *Texas Death Toll from February Storm, Outages Surpasses 100*. Voice of America. <https://www.voanews.com/usa/texas-death-toll-february-storm-outages-surpasses-100>

19 Johnson, B., & Friend, D. (2021, March 8). *'Who is to Blame?' Legislative Hearings on Texas Blackouts Begin*. The Texan. <https://thetexan.news/who-is-to-blame-legislative-hearings-on-texas-blackouts-begin/>

20 Texas Monthly. (2021, March 4). *After the Blackout Crisis, Texans Could Be Paying for Decades to Come* —. <https://www.texasmonthly.com/news-politics/blackout-crisis-texans-electric-bills/>

21 Frozen. (2021, February 17). *Frozen wind turbines are one culprit in Texas's power outages*. <https://fortune.com/2021/02/16/texas-power-outage-frozen-wind-turbines/>

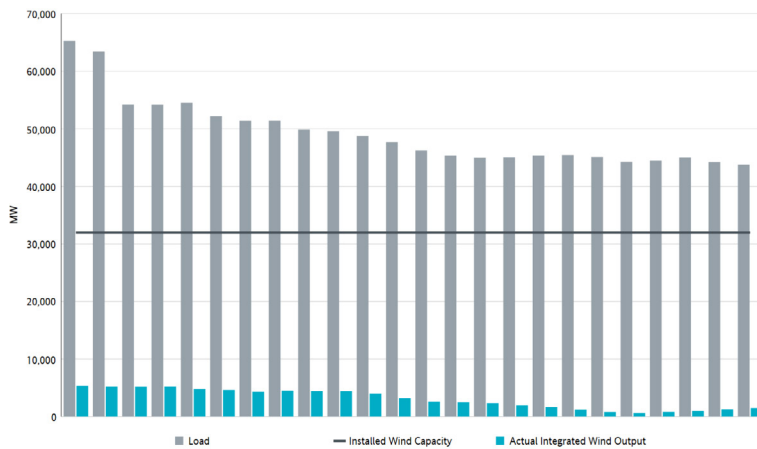
22 Hayes, J. U. T. (2021, February 22). *Texas blackouts warning to Biden and all of us: Renewables do play a role in grid problems*. USA TODAY. <https://eu.usatoday.com/story/opinion/2021/02/22/renewable-energy-part-cause-texas-blackouts-column/6772677002/>

23 Fortune. *Frozen*.

24 Peacock, B. (2021, February 27). *Wind Subsidies Help Freeze Texans*. Master Resource. <https://www.masterresource.org/windpower-problems/wind-subsidies-freeze-texans/>

Now look at February 15-16 (chart #2), as the storm unfolded. Wind output plummeted to an average of 5 percent.

**Hourly Average Actual Load vs. Actual Wind Output**  
02/15/2021



\* Wind Record and Wind Max represent instantaneous values and the rest of the values are integrated over the hour.  
Capacity numbers used in the graphs are based on the expected commercial operation date of each Wind Generation Resource.

25

Former Texas state official Bill Peacock summed up the experience well: “Wind was a no-show . . . It would be hard to overstate the damage caused by wind’s unreliability [on the night of Feb. 15]—or the harm its intermittency causes on a regular basis.”<sup>26</sup>

How did Texas end up in such a precarious position? Because of an “obsessive focus on reaching the unattainable goal of zero carbon emissions,” according to Wayne Christian, a commissioner on the Texas Railroad Commission, which regulates oil and gas in the state. That in turn “led to decades of poor decisions that prioritized and subsidized unreliable energy sources (wind and solar) at the expense of

reliable ones (natural gas, coal and nuclear).”

In Texas, brutal reality has intervened, and state residents, as Christian bluntly put it, “now know that reliable energy is essential to our everyday lives.”<sup>27</sup>

## CALIFORNIA

The same holds true for Californians, but not, of course, for their policymakers, who have created the perfect storm of renewable utopianism. That is, skyrocketing electricity prices combined with an unreliable electric system, already straining under the burden of existing and future green mandates.

This makes living in the state intolerable for many, especially the poor, who are hit hardest by regressive hikes in energy prices.<sup>28</sup>

Californians emptying their pockets for expensive intermittent energy can thank, for starters, former Gov. Arnold Schwarzenegger (R) for accelerating the state’s green revolution. In 2006, he signed the Global Warming Solutions Act, which set a goal of reducing greenhouse gas emissions in California to 1990 levels by 2020.<sup>29</sup> Ten years later, Gov. Jerry Brown (D) upped the ante: he signed legislation mandating that utilities purchase 50 percent of their electricity from renewable sources by 2030.<sup>30</sup>

But the radicals weren’t finished. In 2018, Brown and his co-conspirators in the legislature increased the renewable mandate to 50 percent by 2026, *four years earlier* than that required by the 2015 bill. Moreover, Senate Bill 100 required 60 percent renewable

25 <http://mis.ercot.com/misapp/GetReports.do?reportTypeId=13105&reportTitle=Wind%20Integration%20Reports%20&showHTMLView=&mimicKey>

26 Peacock, B. (2021, February 27). *Wind Subsidies*.

27 Christian, W. (2021, March 19). *Texas’ Blackouts Blew In on the Wind*. WSJ. <https://www.wsj.com/articles/texas-blackouts-blew-in-on-the-wind-11616192622>

28 Competitive Enterprise Institute. (2021, March 2). *Report: California’s Electricity Price-Boosting Environmental Measures Disproportionately Harm the Poor*. <https://cei.org/blog/report-californias-electricity-price-boosting-environmental-measures-disproportionately-harm-the-poor/>

29 California Air Resources Board. (2018, September 28). *AB 32 Global Warming Solutions Act of 2006*. <https://ww2.arb.ca.gov/resources/fact-sheets/ab-32-global-warming-solutions-act-2006>

30 The Mercury News. (2015, October 6). *California’s landmark renewable energy law to be signed on Wednesday*. <https://www.mercurynews.com/2015/10/06/californias-landmark-renewable-energy-law-to-be-signed-on-wednesday/>

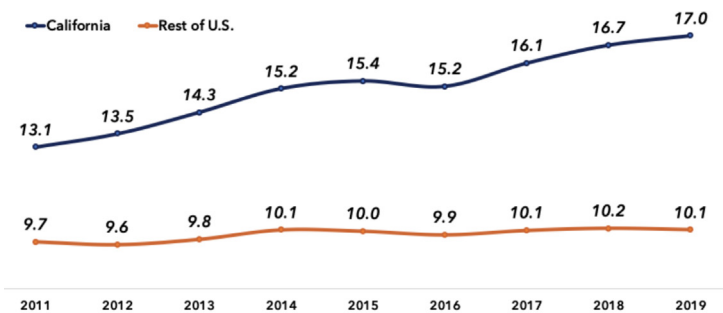


electricity by 2030, culminating in 100 percent “zero-carbon” electricity by 2045.<sup>31</sup>

As policymakers ran roughshod over reason, facts, and moderation, California’s electricity consumers paid dearly. Energy analyst Robert Bryce reported that, between 2011 and 2019, “the average price of electricity in California for all users—industrial, commercial, and residential—jumped by nearly 30 percent, or more than seven times the rate of increase seen in the rest of the U.S.”<sup>32</sup>

### California Electricity Prices vs. Rest of United States, 2011-2019

(cents per kilowatt-hour)



**California’s electricity rates are rapidly rising.** Since 2011, California’s electricity prices increased at a rate that was seven times as fast as the rate seen in the rest of the U.S. (Source: Energy Information Administration; Graphic: FREOPP)

What did these consumers get for their money? New, innovative technologies to improve their lives? A

more resilient grid? More reliable power? Nothing of the kind. What they got was a horrific series of embarrassing and devastating blackouts that cost lives and livelihoods throughout the state.

Last August, California’s green dreaming ran headlong into reality. Sweltering heat overwhelmed California’s grid, resulting in 400,000 homes and businesses across the state without power.<sup>33</sup> Then last September, wildfires swept through the northern part of the state. PG&E, the state’s utility that just recently emerged from bankruptcy, cut power to 172,000 customers in 22 counties.<sup>34</sup> Such extreme measures were also taken in 2017 and 2018 in the wake of severe wildfires. In October 2019, there was more to come. Wildfires forced pre-emptive shut offs to more than 2 million people in 34 counties.<sup>35</sup>

Leave it to California to lead the way: the sheer size and scope of these actions were unprecedented. “[PG&E] is the only U.S. utility to have ever initiated a weather-related shutoff of such size and duration,” the *Wall Street Journal* reported.<sup>36</sup> “Hot weather and a cloudy day should not be able to shut down the fifth-largest economy in the world,” said Lance Hastings, president of the California Manufacturers and Technology Association.<sup>37</sup>

Except for the fact they did. True to form, renewable flaks were quick to defend the state’s irrational energy policies. In a letter to Gov. Gavin

31 Office of Governor Brown. (2018, September 10). *Governor Brown Signs 100 Percent Clean Electricity Bill, Issues Order Setting New Carbon Neutrality Goal*. <https://www.ca.gov/archive/gov39/2018/09/10/governor-brown-signs-100-percent-clean-electricity-bill-issues-order-setting-new-carbon-neutrality-goal/index.html>

32 Pryce, R. (2020, October 1). *Testimony Before the United States Congress: Generating Equity: Improving Clean Energy Access & Affordability*. <https://docs.house.gov/meetings/IF/IF03/20201001/111070/HHRG-116-IF03-Wstate-BryceR-20201001.pdf>

33 Reuters Staff. (2020, August 18). *California warns of imminent power outages without conservation*. <https://www.reuters.com/article/us-california-power-outages/california-warns-of-imminent-power-outages-without-conservation-idUSKCN25E1M8>

34 PG&E Currents. (2020, September 8). *PG&E Turns Off Power for Safety to Approximately 172,000 Customers in 22 Counties in Sierra Foothills, Sacramento Valley, Northern Sierra and Elevated North Bay Terrain*. <https://www.pgecurrents.com/2020/09/08/pge-turns-off-power-for-safety-to-approximately-172000-customers-in-22-counties-in-sierra-foothills-sacramento-valley-northern-sierra-and-elevated-north-bay-terrain/>

35 AP NEWS. (2019, October 10). *California power outage: What happens when the lights go out*. <https://apnews.com/article/6a793152ea3541a7a9126d4f6cb1cea3>

36 Blunt, K. (2020, September 8). *New Blackouts Darken California*. WSJ. <https://www.wsj.com/articles/new-blackouts-to-darken-california-11599535514>

37 Kahn, D. (2020, August 18). *California has first rolling blackouts in 19 years — and everyone faces blame*. Politico PRO. <https://www.politico.com/states/california/story/2020/08/18/california-has-first-rolling-blackouts-in-19-years-and-everyone-faces-blame-1309757>



Newsom (D), state policymakers overseeing California's grid blamed the disaster on high demand and poor planning, but not on its unrealistic, moronic green mandates. "Collectively, our organizations want to be clear about one factor that did not cause the rotating outage: California's commitment to clean energy," the policymakers wrote."<sup>38</sup>

**Due to the state's foolish renewable obsession, and the power shortages it causes, California imported 25 percent of its electricity from neighboring states in 2019, the largest amount in the country.**

Except that it did. For example, thanks to California's 2030 renewable mandate, PG&E is closing the Diablo Canyon nuclear power plant, which produces 9 percent of the power generated in the state.<sup>39</sup> Moreover, GE Energy's 800-megawatt natural gas power plant in Riverside County, built in 2009, is prematurely closing "despite being built to operate for forty or more years."<sup>40</sup> The state's renewable mandates and subsidies significantly contributed to these closures.<sup>41,42</sup>

Due to the state's foolish renewable obsession, and the power shortages it causes, California imported

25 percent of its electricity from neighboring states in 2019, *the largest amount in the country*.<sup>43</sup> This puts California consumers at the mercy of other states. As California's energy regulators noted in their letter to Newsom, "Some of these import resources bid into the [California Independent System Operator] CAISO energy markets but are not secured by long-term

contracts. This poses a risk if import resources become unavailable when there are West-wide shortages due to an extreme heat event, such as the one we are currently experiencing."<sup>44</sup>

None of these realities has forced a course correction among the state's policymakers.

Travis Kavulla, a former member of the California Independent System Operator's (CAISO) western energy market governing body, noted that the baseload capability of natural gas plants "proves the point that, at least for now, [natural gas] is an essential resource."<sup>45</sup> But no one in California's policy elite seems to notice or care.

## NEW MEXICO

This callous and dangerous indifference to facts is spreading to other states. A total of 28 states (and

38 California ISO. (2020, August 19). *California ISO: Response to Letter from Governor Newsom*. [https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News\\_Room/NewsUpdates/2020/Joint%20Response%20to%20Governor%20Newsom%20Letter%20August192020.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2020/Joint%20Response%20to%20Governor%20Newsom%20Letter%20August192020.pdf)

39 Tubb, K. (2019, July 3). *Hidden Costs of Energy Mandates*. The Heritage Foundation. <https://www.heritage.org/energy-economics/commentary/hidden-costs-energy-mandates>

40 Institute for Energy Research. (2020, August 20). *Renewable Mandates Are Leading to Electricity Shortages and Price Spikes in California*. <https://www.instituteforenergyresearch.org/the-grid/renewable-mandates-are-leading-to-electricity-shortages-and-price-spikes-in-california/>

41 *Ibid.*

42 Pacheco, A. (2019, June 24). *Gas-fired power plants are becoming obsolete*. Archinect. <https://archinect.com/news/article/150142965/gas-fired-power-plants-are-becoming-obsolete>

43 U.S. Energy Information Administration. (2020, December 7). *California was the largest net electricity importer of any state in 2019 - Today in Energy*. <https://www.eia.gov/todayinenergy/detail.php?id=46156>

44 California ISO. *Response to Letter*.

45 Kahn, D. *California has first rolling blackouts*.



Gov. Michelle Lujan Grisham

DC) has renewable electricity mandates.<sup>46</sup> New Mexico is one of them. Unfortunately, just as in California, the 'Land of Enchantment' is doubling down on failure.

In 2019, to much fanfare, Gov. Michelle Lujan Grisham (D) signed the Energy Transition Act

(ETA), legislation requiring utilities to get 50 percent of the electricity they sell from renewable sources by 2030, rising to 100 percent by 2045 (cooperatives have until 2050).<sup>47</sup>

"This is a really big deal," Lujan Grisham said at the time. "In every corner of this state, advocates, utilities, young adults, unions, elected officials and families came together to push for and, today, enact this transformational law. The Energy Transition Act fundamentally changes the dynamic in New Mexico."<sup>48</sup>

It certainly does, but maybe not the way Lujan Grisham thinks. Utilities in the state were required to have 20 percent of retail electric sales from renewables by 2020. "Not all of them met the goal," according to the Associated Press. Public Service Company of New Mexico (PNM), the state's largest utility, "missed the mark by a small percentage but expects to come into compliance soon."<sup>49</sup> Time will tell.

The ETA's backers framed its passage as an economic necessity, due to coal's decline. "The bill responds to the economic changes brought about by the decline of coal power," according to the Natural Resources Defense Council. "New Mexico's largest coal plants are no longer economic and the utilities, both in state and around the region, are closing them down."<sup>50</sup>

That's true, but it has nothing to do with coal per se, but everything to do with federal regulations targeting coal imposed by the Obama Administration, on top of New Mexico's renewable electricity mandates.<sup>51</sup>

Legislators who voted for the ETA also now admit that it was passed under heavy pressure from green activists—meaning they didn't understand its contents or its potential impacts, even as they watched disaster unfold in California. Those who ultimately voted for it "did not always have time to ask more questions about it as it worked its way through the Legislature because of time constraints," according to a recent news report.

**Legislators who voted for the ETA also now admit that it was passed under heavy pressure from green activists—meaning they didn't understand its contents or its potential impacts, even as they watched disaster unfold in California.**

State Sen. William Tallman (D) said after the bill passed that "there were so many bills and so much pressure from environmental groups to pass" the ETA "that

46 Shields, L. (2021, April 7). *State Renewable Portfolio Standards and Goals*. National Conference of State Legislatures. <https://www.ncsl.org/research/energy/renewable-portfolio-standards.aspx>

47 *Senate Bill 489: New Mexico Legislature*. (2019). New Mexico Legislature. <https://www.nmlegis.gov/Sessions/19%20Regular/bills/senate/SB0489.pdf>

48 Office of the Governor - Michelle Lujan Grisham. (2019, March 22). *Governor signs landmark energy legislation, establishing New Mexico as a national leader in renewable transition efforts*. <https://www.governor.state.nm.us/2019/03/22/governor-signs-landmark-energy-legislation-establishing-new-mexico-as-a-national-leader-in-renewable-transition-efforts/>

49 AP NEWS. (2021, January 7). *New Mexico utilities look ahead to renewable energy mandates*. <https://apnews.com/article/albuquerque-new-mexico-archive-utilities-33b4ffa99fa72345dca93db0effa1cab>

50 Long, N. (2019, March 13). *New Mexico Passes 100% Clean Energy Bill*. NRDC. <https://www.nrdc.org/experts/noah-long/new-mexicos-energy-transition-heads-governor>

51 Senate RPC. (2012, May 15). *Obama's War on Coal*. <https://www.rpc.senate.gov/policy-papers/obamas-war-on-coal>

he voted for it, despite having some questions about some of its content.”<sup>52</sup>

“The problem was, it was an 82-page bill that involves very technical issues” said state Sen. Antoinette Sedillo Lopez (D), who took office early in 2019. “I was brand new. It took me quite a while to digest it, understand it. I voted for it but believe now is the time to clean it up.”<sup>53</sup>

Lopez and other ill-advised advocates are now trying to improve the ETA, to “protect consumers more when it comes to rising energy bills because of the cost of transitioning to more expensive, alternative energy sources.”<sup>54</sup> Tallman recently said that the ETA “should have done a very good job providing environmental protection and consumer protection. It succeeded on the former and failed on the latter.”<sup>55</sup>

In part to meet the mandates of the ETA, PNM, which is being acquired by Avangrid, a subsidiary of Spanish company Iberdrola, plans to close the 847-Megawatt San Juan Generating Station, a coal plant, in 2022. The plant is located near Farmington, New Mexico, where, because of the plant’s closure, the community and the local school district will “lose hundreds of jobs and millions in local taxes.”<sup>56</sup>

In its proposed, not-yet-approved 2020 “Integrated Resource Plan” (IRP), an explanation of PNM’s investments and planning over the next 20 years, the utility pledges to eliminate coal from its electricity mix

by 2024. By 2025, PNM predicts that “nearly 75% of our customers’ electricity needs will be supplied by carbon-free resources.”<sup>57</sup> This claim strains credulity coming from a company that failed to meet the state’s 2020 renewable target.

PNM acts as if the “energy transition,” so breathlessly talked about by Democrats and green activists, is somehow inevitable, and not the result of conscious choices by policymakers. “This Integrated Resource Plan,” PNM states, “is set against a backdrop of an industry that is rapidly changing, creating a challenging and uncertain environment for resource planning.”<sup>58</sup>

Again, it is the state’s politicians who have created these challenges. PNM’s planning conforms to the ETA’s unrealistic mandates, and the results will be, as in California, less reliable (that is, fewer megawatts from baseload coal, nuclear, and natural gas plants, which can operate 24/7) and more expensive electricity for consumers.

“We’ll be reducing our baseload down substantially and we’ll be projecting to bring on a whole lot of renewables and energy storage and other resources on to serve our customers,” said Nick Phillips, director of integrated resource planning at PNM.<sup>59</sup> PNM’s IRP, again putting euphemistic language to the test, described it this way: “In the future, changes to our resource mix will lead to reliability challenges outside of this traditional peak period.”<sup>60</sup>

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52 Nott, R. (2021, January 5). *Changes to New Mexico clean energy law on agenda*. Santa Fe New Mexican. [https://www.santafenewmexican.com/news/legislature/changes-to-new-mexico-clean-energy-law-on-agenda/article\\_213750ee-4ec3-11eb-bc34-5b7e981ef674.html](https://www.santafenewmexican.com/news/legislature/changes-to-new-mexico-clean-energy-law-on-agenda/article_213750ee-4ec3-11eb-bc34-5b7e981ef674.html)

53 *Ibid.*

54 Kelly, E. (2021, January 20). *Energy bill called a “one-two punch of misery for New Mexico’s families.”* The Center Square. [https://www.thecentersquare.com/new\\_mexico/energy-bill-called-a-one-two-punch-of-misery-for-new-mexico-s-families/article\\_a6e5e5ea-5a97-11eb-9767-6379c29187f9.html](https://www.thecentersquare.com/new_mexico/energy-bill-called-a-one-two-punch-of-misery-for-new-mexico-s-families/article_a6e5e5ea-5a97-11eb-9767-6379c29187f9.html)

55 Nott, R. *Changes to New Mexico*.

56 Robinson-Avila, K. (2020, April 29). *PRC rejects two solar projects*. Albuquerque Journal. <https://www.abqjournal.com/1449039/prc-rejects-two-san-juan-solar-replacement-projects.html>

57 PNM. (2021, January 29). *PNM 2020–2040: Integrated Resource Plan*. <https://www.pnmforwardtogether.com/assets/uploads/PNM-2020-IRP-FULL-PLAN-NEW-COVER.pdf>

58 *Ibid.*

59 Grover, H. (2021, April 2). *PNM’s plans for the future include reduced baseload power and increased renewable energy*. The NM Political Report. <https://nmpoliticalreport.com/2021/04/02/pnms-plans-for-the-future-include-reduced-baseload-power-and-increased-renewable-energy/>

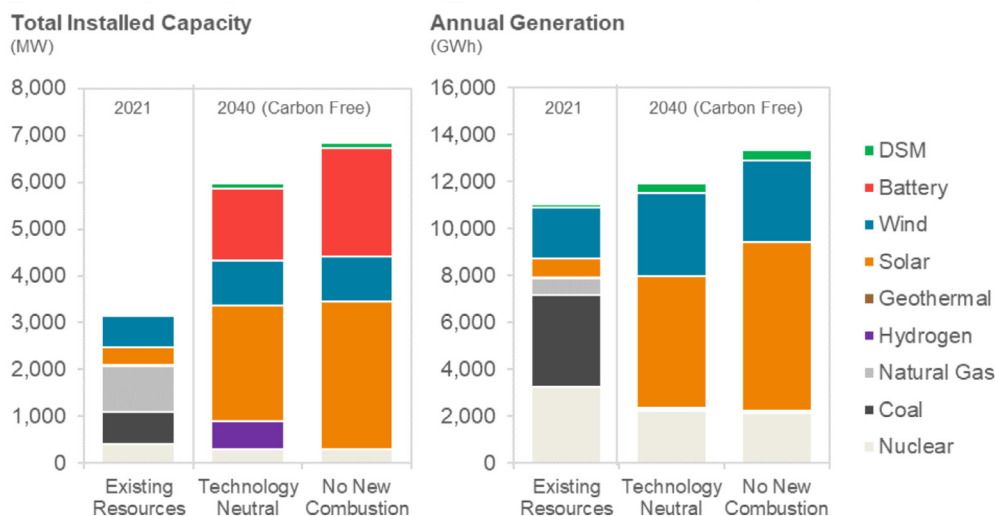
60 PNM. *PNM’s 2020-20240: Integrated Resource Plan*, 3.

The chart below, taken from PNM's 2020 IRP, shows just how fanciful their planning is, which, to be fair, is being driven by the insanity of the ETA. In terms of total installed capacity in 2040, PNM expects to generate power nearly completely by wind, solar, Demand Side Management (or "DSM," essentially an energy efficiency program), with a minuscule portion coming from nuclear. This is the green dream on steroids. But New Mexico's residents will likely wake up to a nightmare.

sources are not generating electricity."<sup>62</sup>

Those lessons should be applied *post haste*, because grid reliability in New Mexico is already being compromised, even as policymakers tout the ETA. Last August, "standing amid an array of solar panels," Gov. Lujan Grisham praised the ETA's "aggressive renewable energy mandates." A few days later, however, PNM implored its customers "to cut back on air conditioning and the use of other major appliances to reduce strain on the grid."

### Summary of 2040 portfolios under Technology Neutral and No New Combustion Portfolios



Higher annual generation in No New Combustion scenario offset by higher storage losses and off-system sales

Why? Because of...clouds. "The utility," the AP reported, was "worried about cloud cover affecting the ability of solar panels to generate electricity as demand increases because of higher temperatures."<sup>63</sup> As PNM posted on its company Facebook page, "Today, with forecasted pockets of cloud cover in New Mexico this afternoon, PNM solar generation could be reduced."<sup>64</sup>

PNM speculates that "moving away from coal will save customers money," but again, California's experience proves otherwise. Phillips of PNM conceded that, again in laughably euphemistic terms, "the transition to 100 percent renewable or clean energy will ultimately have a price tag that will impact ratepayers."<sup>61</sup> And as PNM decreases baseload power, "the lessons from the winter storm [that hit Texas and other states] will need to be evaluated to ensure the grid remains stable if there are long periods of time when the renewable

## CONCLUSION

Texas, California, New Mexico: the lessons learned from these states' experiences with renewable energy should be pushing policymakers across the country, at both the state and federal levels, to reject top-down, green central planning of the electric grid. But that doesn't appear to be happening.

The Biden Administration and Democrats in Congress

61 Grover, H. *PNM's plans for the future*.

62 Grover, H. *PNM's plans for the future*.

63 AP NEWS. (2020, August 21). *Energy resources tested as Western states see soaring demand*. <https://apnews.com/article/ca-state-wire-az-state-wire-nm-state-wire-nv-state-wire-4c2fead04cb8fd221957360eb1af80b9>

64 PNM, <https://www.facebook.com/PNMelectric/photos/a.469758411017/10158920419061018/?type=3>



are only compounding renewable-induced misery via the Green New Deal. That policy monstrosity aims to eliminate fossil fuels, which have consistently created good-paying jobs, and provided consumers with affordable, reliable energy, an essential component of economic growth and prosperity.

Biden's pledge under the Paris Agreement sets the country on a dangerous trajectory. Green radicals will use it to push their fever dream of a 100-percent "clean" grid, powered by sources that don't work at night or on cloudy days. It's time to wake up to these realities with policies that promote fuel diversity, reliability, and affordability—before it's too late for all of us.