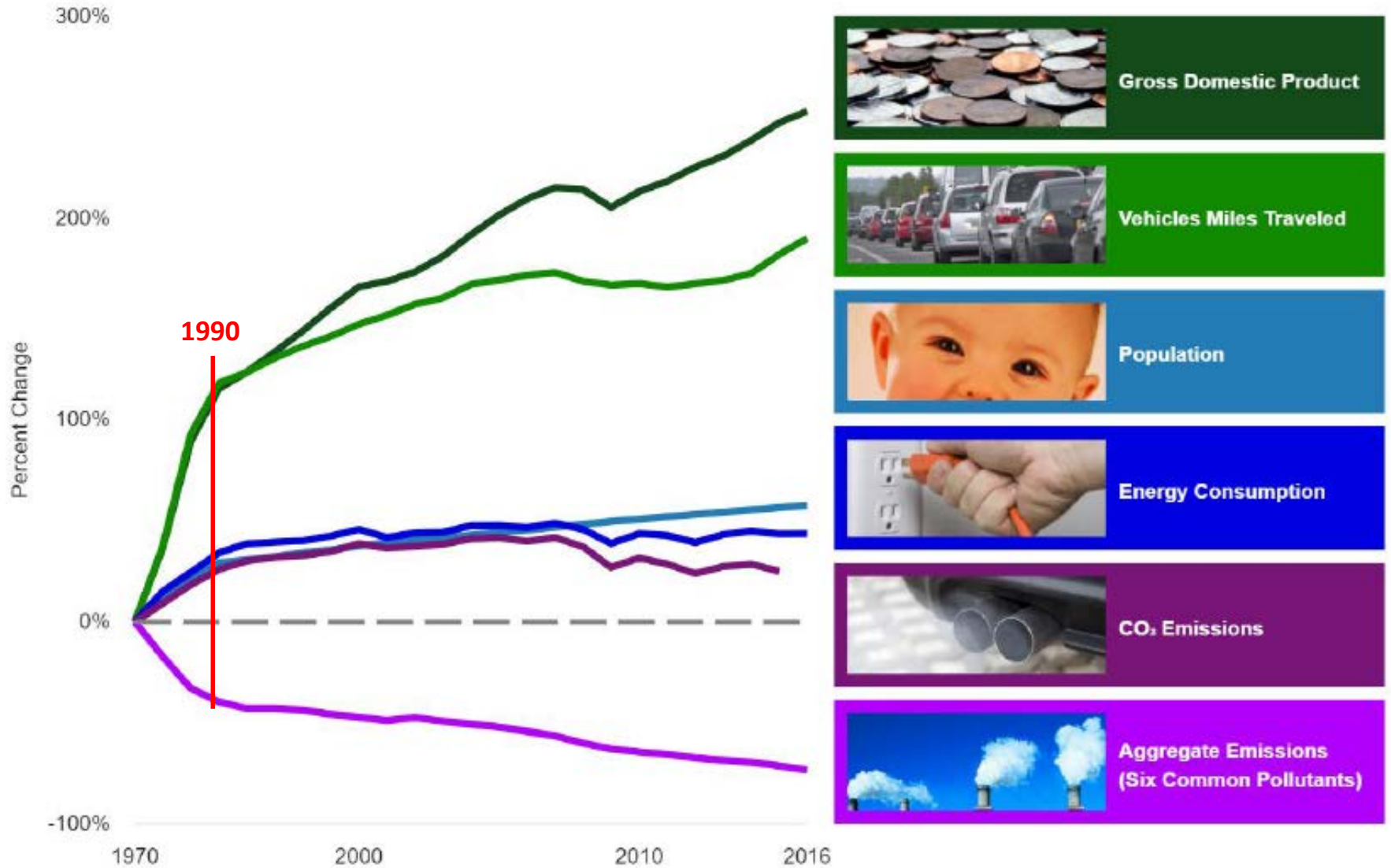




Trends in Air Quality

Patrick Cummins

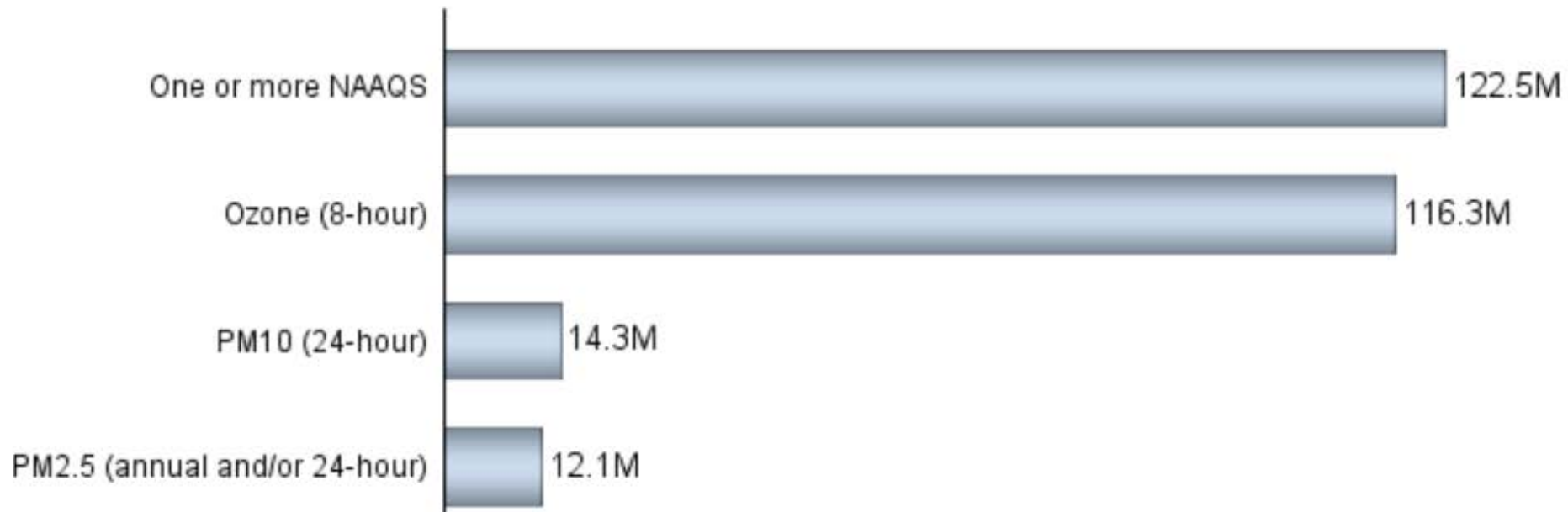
Comparison of Growth Areas and Declining Emissions 1970-2016



- Gross Domestic Product
- Vehicle Miles Traveled
- Population
- Energy Consumption
- CO₂ Emissions
- Aggregate Emissions (Six Common Pollutants)

Source: US EPA

Number of People Living in Counties with Air Quality Concentrations Above the Level of the NAAQS in 2016



Source: US EPA

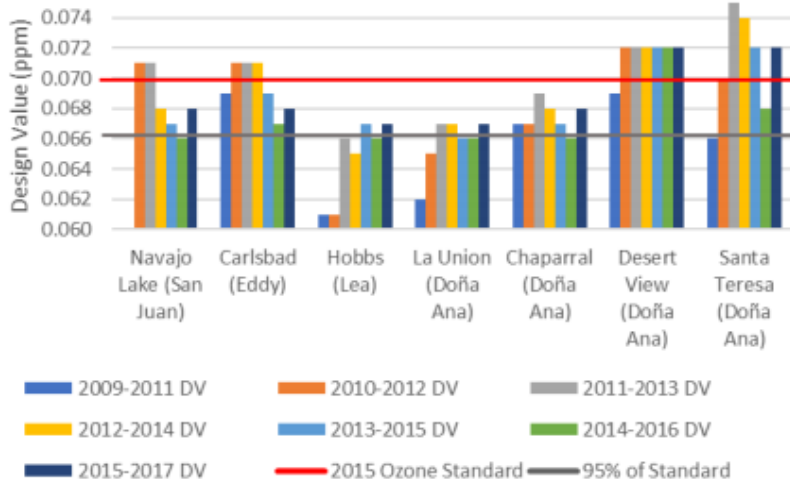


Ozone Attainment Initiative

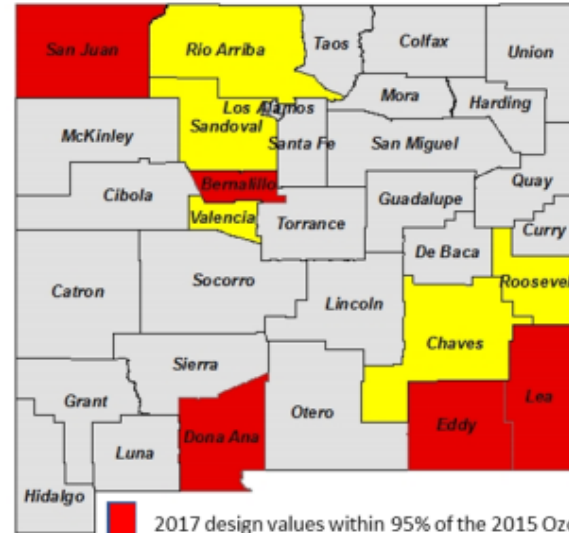
NMED-AQB has embarked on a new Ozone Attainment Initiative (OAI) for attainment and maintenance of national ambient air quality standards for ozone in areas for which design values exceed 95% of the standard. Pursuant to 74-2-5.3.A:

If the environmental improvement board or the local board determines that emissions from sources within its jurisdiction cause or contribute to ozone concentrations in excess of ninety-five percent of a national ambient air quality standard for ozone, it shall adopt a plan, including regulations, to control emissions of oxides of nitrogen and volatile organic compounds to provide for attainment and maintenance of the standard.

Recent Design Values
Monitors within 95% of Standard as of 2017



Ozone - Areas of Concern



- 2017 design values within 95% of the 2015 Ozone Standard
- Preliminary 2018 design values within 95% of Ozone Standard or likely contributions to high ozone levels in adjacent counties

*Albuquerque / Bernalillo County Department of Environmental Health is implementing parallel planning for sources located in Bernalillo County.

Proposed Timeline

Fall 2018 – Planning for public meetings in 9+ Counties and opportunity for initial comments

Winter/Spring 2019 – Research on and review of possible options for mandatory or voluntary controls, and additional public outreach

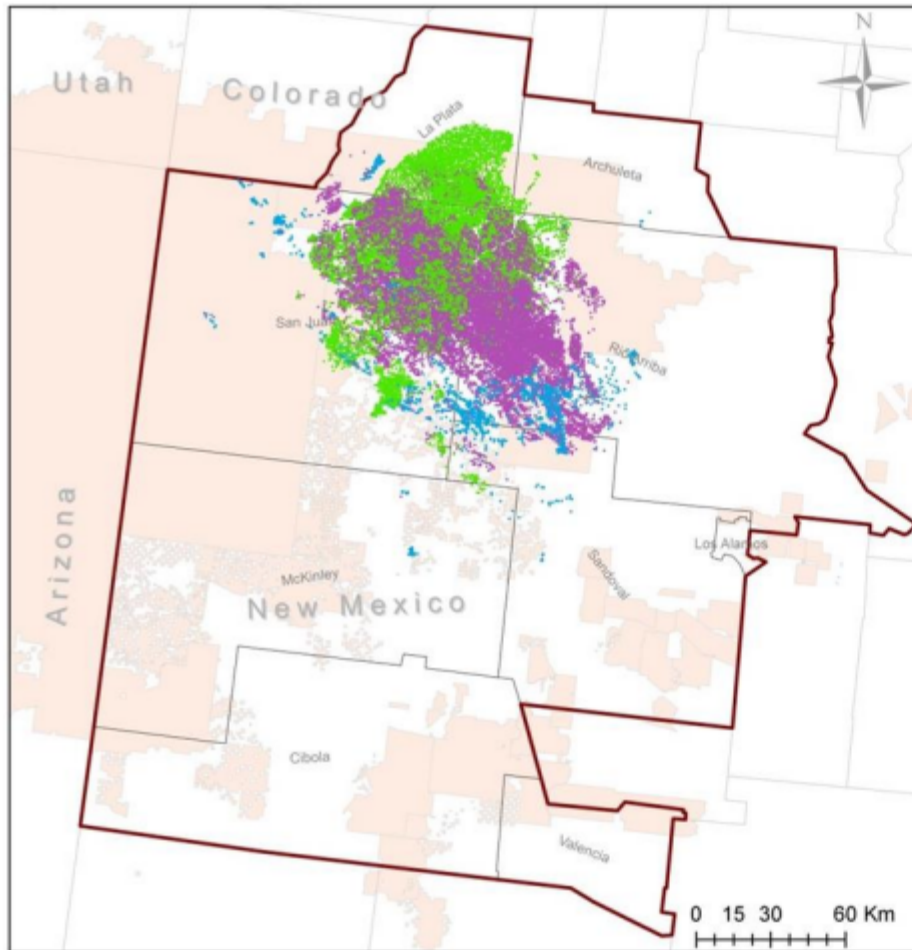
Summer 2019 – Gather input on researched options with opportunity for further public input

Fall 2019 – Analyze feedback and develop rules and other measures for inclusion in a draft ozone attainment plan



Winter/Spring/Summer 2020 – Draft plan with formal comment period
Summer 2020 – Hearing to adopt a plan

Greater San Juan Basin: 2014 Well Locations by Type


3



Legend

-  Greater San Juan Basin (consistent with GHGRP Subpart W definition)
-  Tribal Lands

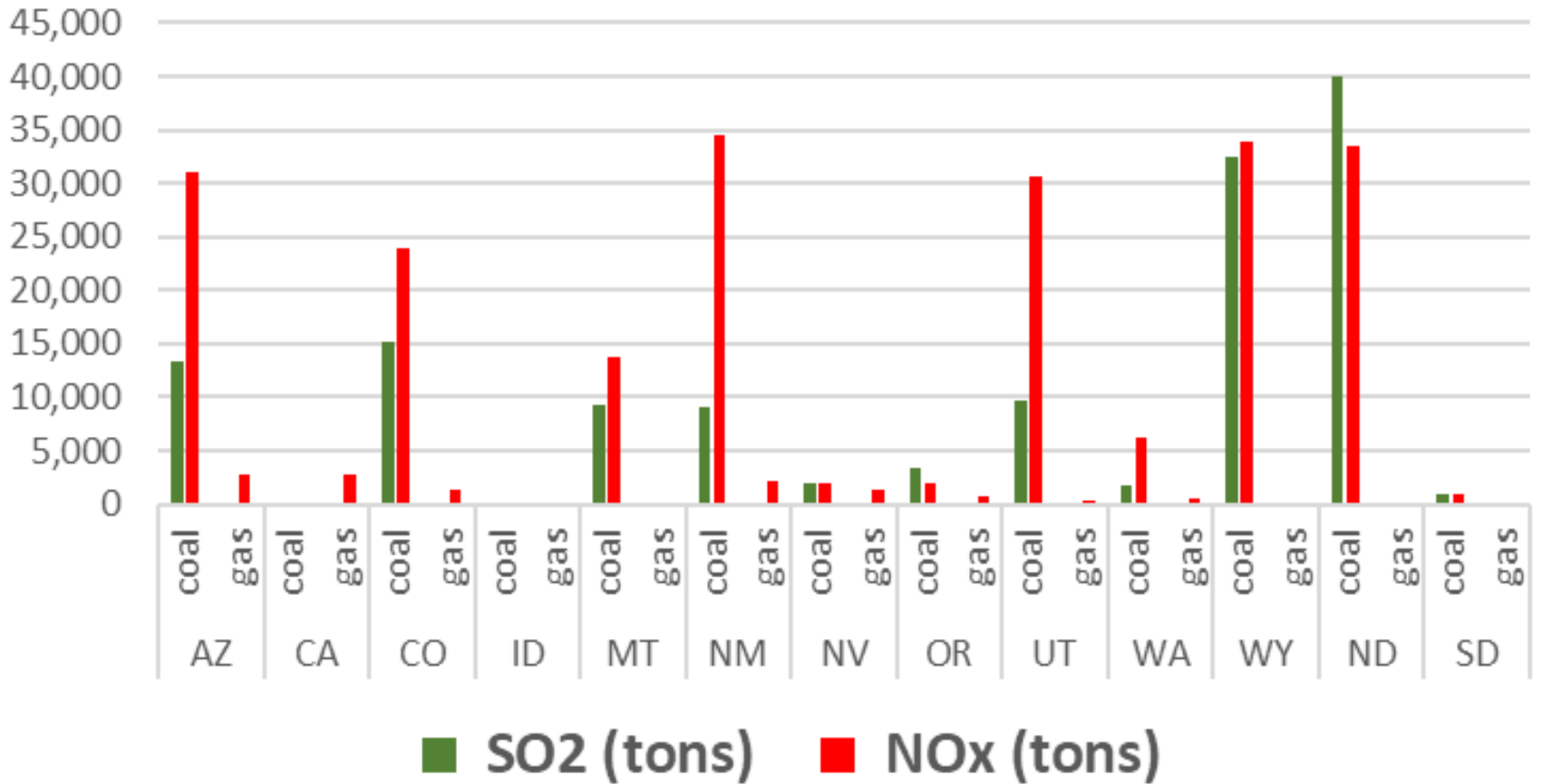
Well Type

-  Oil
-  CBM
-  Gas

Reference: Parikh, R., J. Grant, A. Bar-Ilan. 2017 "Development of Baseline 2014 Emissions from Oil and Gas Activity in Greater San Juan Basin and Permian Basin". Ramboll Environ. November 2017.

Western Power Sector Emissions

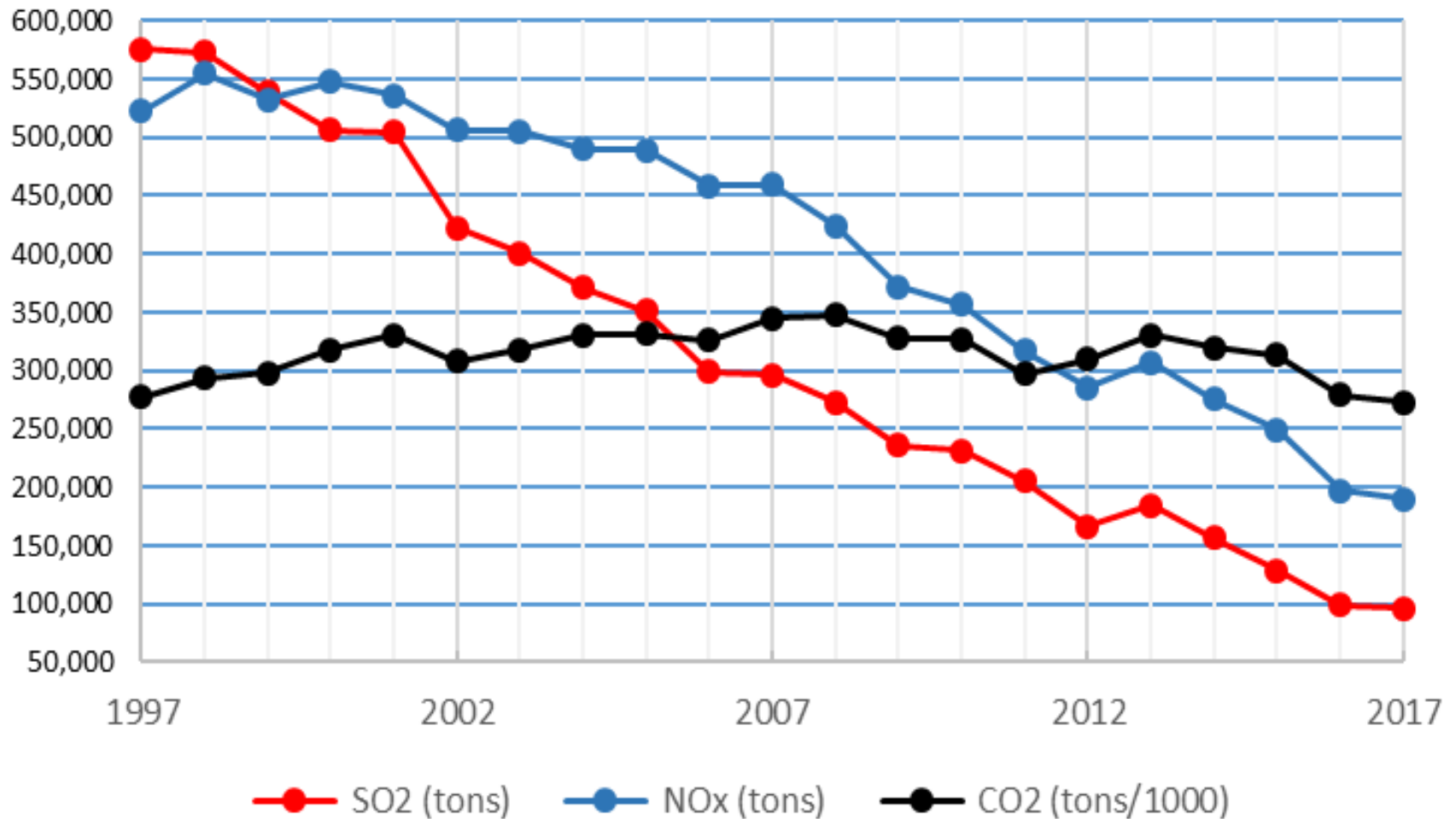
2017 Emissions by State



Source: EPA

Western US Power Sector Emissions 1997-2017

Source: US EPA (11 WECC states)

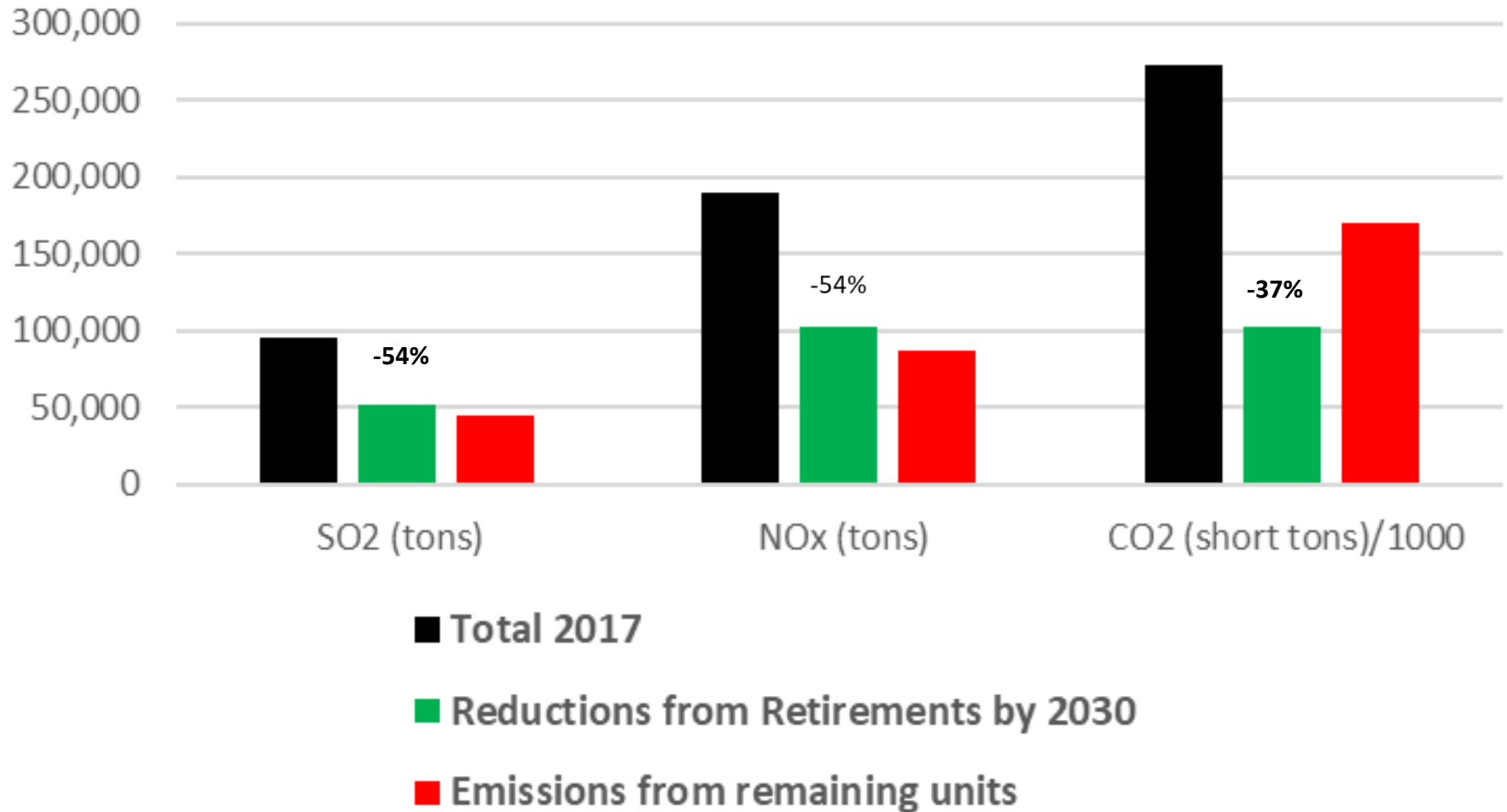


SO2: -83%

NOX: -64%

CO2: -2% (-22% since 2008)

Expected emissions reductions from coal unit retirements: 2017-2030 WECC Region

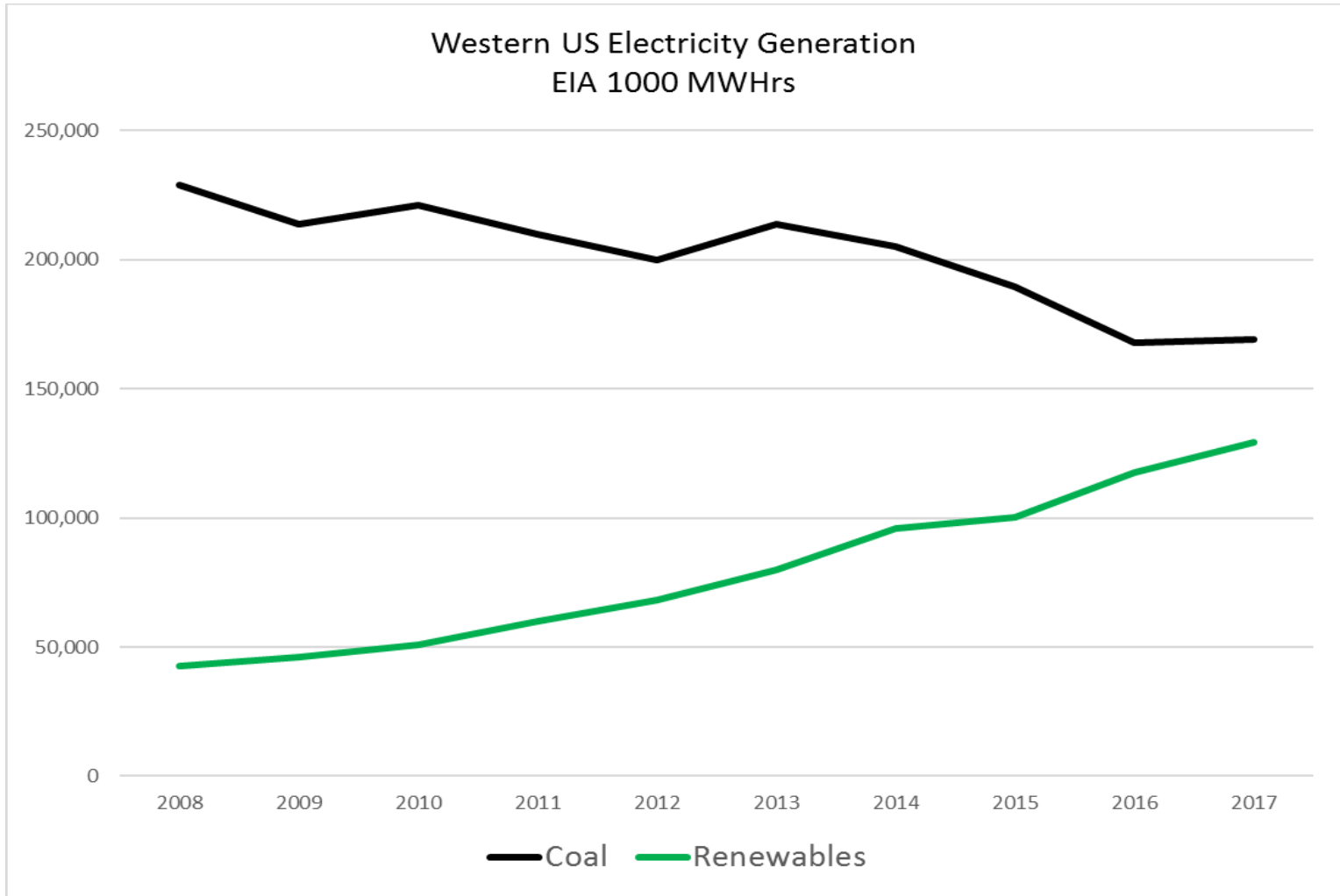


Source: EPA / CNEE

Electricity Generation Trends on the 11-State Western Grid

- No increase in total generation since 2008
- 2017 vs. 2008
 - Coal **-26%**
 - Nuclear **-18%**
 - Hydro + Natural Gas **-4%**
 - Renewables **+205% (3X)**

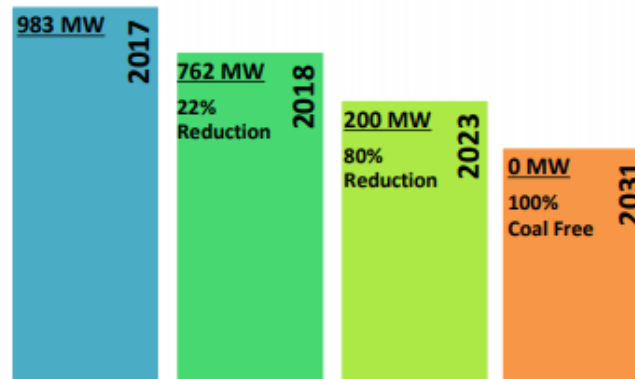
The decline in coal and nuclear generation in the West since 2008 has all been offset by growth in renewables



WHAT'S AHEAD

PLANS FOR COAL FREE GENERATION PORTFOLIO BY 2031

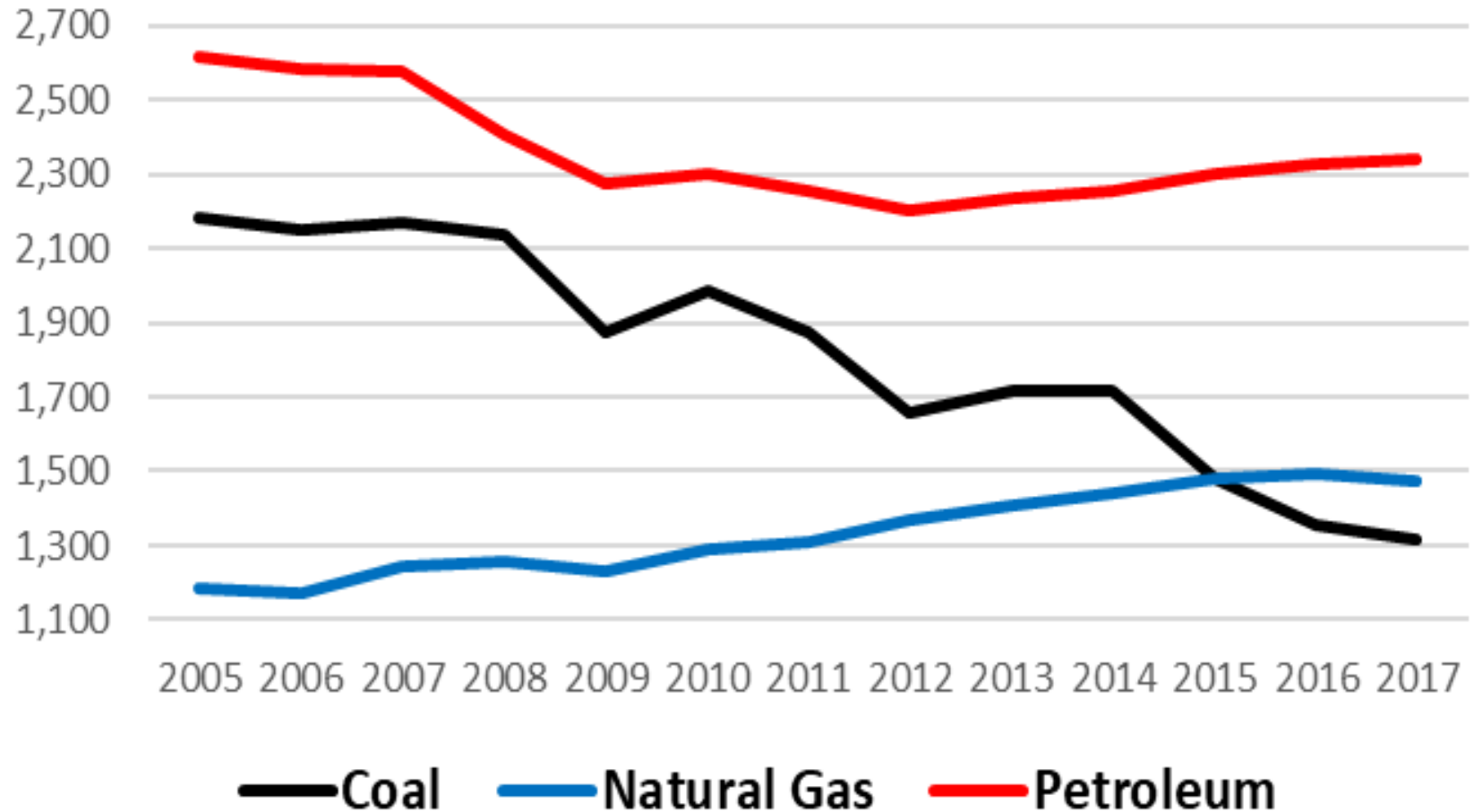
- Retirement of SJGS leads to 80% reduction in coal capacity by 2023; exit from Four Corners in 2031 completes transformation to a coal-free generation portfolio¹
 - **2018:** Since the shutdown of Units 2 & 3, PNM anticipates an annual reduction in **system-wide** CO₂ emissions by approximately 40% over 2012 levels
 - **2030:** PNM expects to achieve an annual reduction of approximately 60 percent in CO₂ emissions over 2012 levels. PNM plans to exit all coal generation by 2031; and
 - **2040:** PNM's goal is to reduce annual CO₂ emissions in 2040 by a total of 87 percent from 2012 levels.



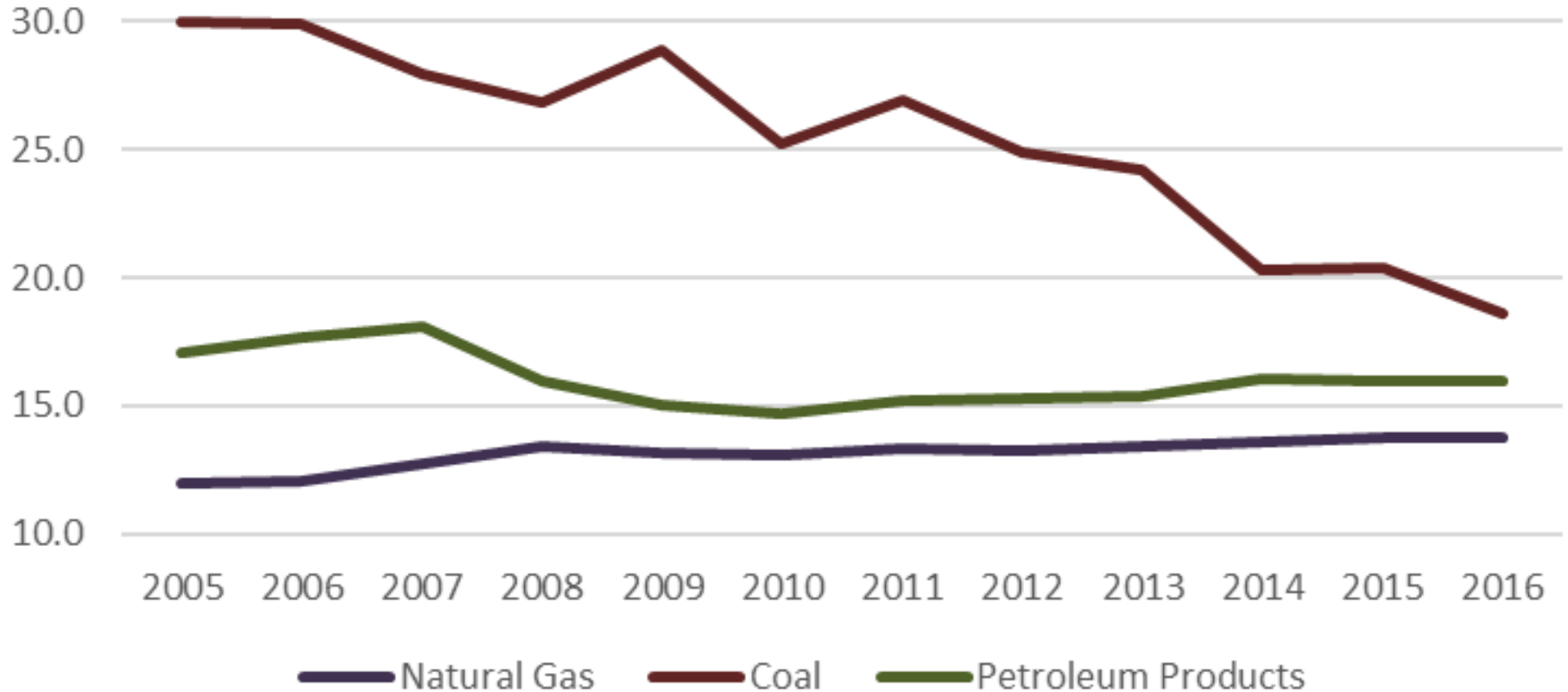
¹ PNMR Climate Change Report <http://www.pnmresources.com/about-us/sustainability-portal/climate-change-report.aspx>

US CO2 from Energy Consumption by Source

Million Tonnes - EIA



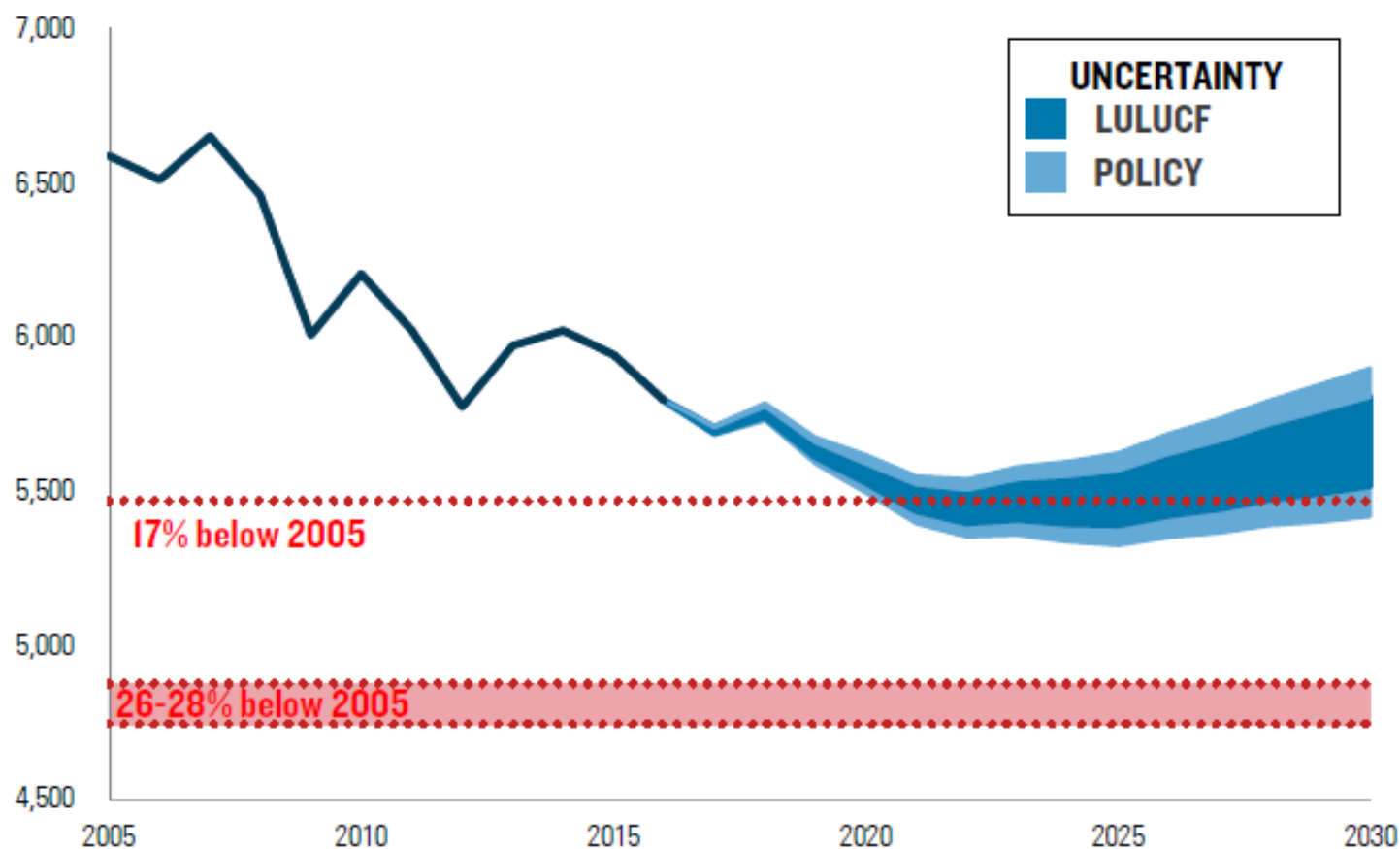
New Mexico Carbon Dioxide Emissions from Fossil Fuel Consumption (2005-2016)



Source: EIA

Figure 1: Net US GHG emissions under current policy, Baseline scenario

MMt CO₂e





Thank you



