

# Planned power plant expected to boost San Juan County tax base

Natural gas, solar plant to help county recover from lost taxes when mine was sold, stacks closed

By Dan Schwartz

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**FARMINGTON** >> There are approximately \$11 billion in total assets in San Juan County, and the natural gas and photovoltaic power plant planned for construction here could cost nearly \$1 billion, which would significantly boost the county's tax revenues, county and project officials say.

"Where else in the state is there a billion-dollar project going on?" County Executive Officer Kim Carpenter asked, adding that he doesn't know of any.

The 750-megawatt natural gas and photovoltaic power plant that Western Energy Partners LLC, a Colorado-based company, plans to build in the county will be a boon for the county's property taxes.



Curt Hilebrand, president of Western Energy Partners, speaks Tuesday during a San Juan County Commission meeting at the Commission Chambers in Aztec. (Jon Austria — The Daily Times)

When the Four Corners Generating Station closed three of its coal-burning units in 2013, and BHP Billiton sold its coal mine to the Navajo Nation, the county began losing an estimated \$1 million a year in property and gross receipts taxes, Carpenter said. The San Juan Generating Station is scheduled to shutter two of its coal-burning units in 2017 to meet EPA emission standards.

The planned power plant would pay the county an estimated \$8 million to \$9 million a year in property taxes, much of which would go to local schools districts and cover other services, according to Western Energy Partners documents. County Assessor Clyde Ward said approximately one-third of the taxes would be county revenue.

Ward said those tax revenues would be superficial compared to the support industries the plant would bring with it.

Western Energy Partners declined all financial incentives the county offered to build the plant, company President Curt Hildebrand said.

Hildebrand presented the plan to build the power plant to the County Commission during its Tuesday afternoon meeting.

The company will build the power plant east of Hogback in Waterflow on 635 acres of private land. From the site, both coal-fired plants are visible.



Curt Hildebrand talks Tuesday during a presentation at the San Juan County Commission Chambers in Aztec. (Jon Austria — The Daily Times)

The plant is scheduled to begin operation in the middle of 2019. The company plans to file a notice of intent in the Federal Register this month, officially launching the project. Then, it needs to obtain the necessary federal permits, which it expects to receive by December 2016, according to company documents.

Hildebrand said the power plant is being designed to be the most efficient plant in the western U.S. . He said it would generate 680 megawatts through natural gas and 70 megawatts through solar panels.

The unit closures in the two coal-burning plants will reduce power generation by 560 megawatts at the Four Corners Generation Station and 894 megawatts at the San Juan Generating Station, according to Western Energy Partners documents.

In interviews before the commission meeting, Carpenter and Hildebrand said the planned power plant is not intended to replace the coal-burning plants.

In the meeting, Commission Chairman Keith Johns asked how much air pollution the residents near the power plant could expect.

Hildebrand said the power plant will produce 1 percent or fewer emissions than a coal plant, and emissions will not impact public health. If it did, he said, the federal government would not permit it.

Johns said people long have been concerned about the yellow haze the coal-fired power plants generate.

But people will have trouble determining whether the new power plant is operating because it will not produce any haze, Hildebrand said.

"Who is going to oppose this?" Commission Jack Fortner said.

Hildebrand laughed.

"We don't know," he said.

Dan Schwartz covers government for The Daily Times. He can be reached at 505-564-4606.