

Editorial: Proposed power plant a winner on many fronts

By The Daily Times

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The news seems almost too good to be true. After so much bad news on the oil and gas front, the announcement that a Colorado-based company is planning to build a 750 megawatt power plant in San Juan County at an estimated cost of \$1 billion was more than welcome.

Western Energy Partners anticipates creating 800 temporary jobs during construction and 30 full-time permanent jobs when the plant begins operations.

As Four Corners Economic Development CEO Ray Hagerman explained, the project fills two holes. Jobs will be lost when the San Juan Generating Station shuts down two coal-burning units in 2017 to meet EPA emissions standards and the new plant would help replace some of them. And the county lost an estimated \$1 million a year in property and gross receipts taxes when BHP Billiton sold its coal mine to the Navajo Nation.

The new plant is expected to pay more than \$8 million a year in property taxes that will help fund local school districts and cover other services, officials said. County Assessor Clyde Ward also pointed out that other businesses will be needed to support the plant, which will add to the number of permanent jobs and increase the amount of tax revenue collected.

It is fashionable to vilify taxes these days. But that ignores the fact that those revenues pay for roads, fire and police protection, libraries, education and all the things that make the area livable. A good quality of life — defined by those elements — is exactly what companies offering decent jobs that pay well are looking for, which means the positive impact could spread far beyond the 635 acres of private land near Waterflow where they plan to build the plant.

The proposed plant seems to be a perfect fit for this region.

The plan calls for using natural gas to generate 680 megawatts of electricity, and a solar farm to generate the other 70 megawatts. Clean burning natural gas is plentiful in San Juan County as is sunshine. The area has been New Mexico's largest producer of natural gas for many years and it has nearly as many sunny days per year as Phoenix. As we understand it, the solar output can be used to provide power when demand peaks — powering air conditioners on hot summer days, for example.

And the location — ample land for the plant and the solar farm within sight of two power plants — allows an easy connection to the power distribution grid.

To top it all off, Western Energy Partners declined to take financial incentives, which usually includes tax breaks and other considerations that could lessen the positive impacts.

This project creates an unusual synergy that takes advantage of the area's natural resources and solves some of its pressing problems. We hope it comes to fruition.