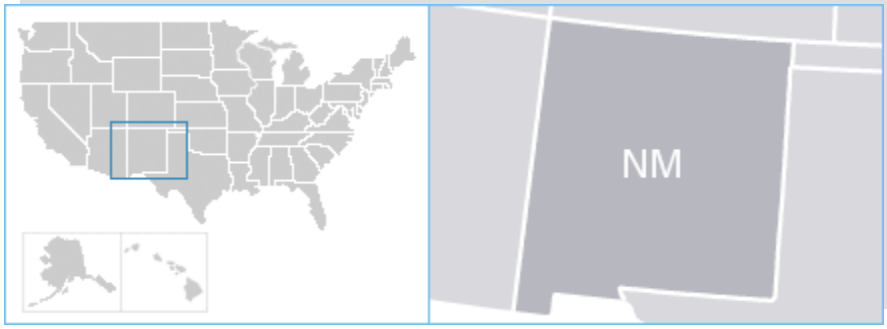
NEW MEXICO



New CHP Sites (2005-2010):
0 sites (#45)

New CHP Capacity (2005-2010):
0 MW (#45)

Average Capacity per Site (2005-2010):
0 MW

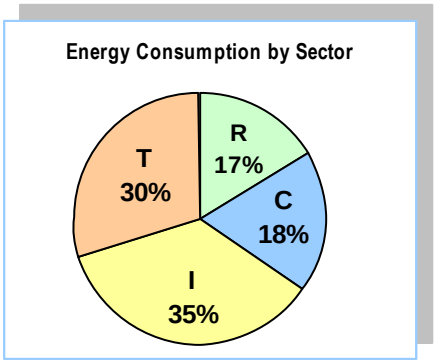
Total Primary Energy Consumption (2008):
693 trillion Btu (#38)

Average Gas Price (2009):
$7.18 per MCF (#49)

Average Electricity Price (2010):
8.60¢ per kWh (#30)

The market for CHP in New Mexico is somewhat unfavorable. However, the state did score four points out of a possible five in ACEEE's *Scorecard*, reflecting a number of good in-place policies designed to support new CHP. New Mexico did not see any new CHP installations between 2005 and 2010.

The main reasons CHP has not had greater deployment in New Mexico are economics, the state's demographics, and customer education. Though New Mexico's abundant natural gas resources could make gas-powered CHP projects attractive for certain sectors, it appears that few facilities are currently interested in pursuing CHP projects. Few concentrations of industrial uses are found in New Mexico as well. The state is sparsely populated, and the majority of economic activity and majority of land are dedicated to government activities. So the particular applications in which CHP makes sense are limited by the few types of land uses that lend themselves to CHP.



CHP is "not actively promoted" within the state and suffers from "low visibility." The state's utilities do not actively promote CHP as an energy efficiency resource, and there are no incentives for utilities to do so. New Mexico's RPS, passed in 2007, does not count waste energy as a renewable resource, although supporters attempted to add it as an eligible resource. Some industrial firms can take advantage, however, of a 6% tax credit for waste heat recovery projects on existing equipment.

There is relatively no new CHP activity in the state at present. Older in-place projects have been in the institutional sector primarily, including several campuses and municipal wastewater and landfill operations. One 17 year-old project using biogas from wastewater digesters is currently being re-bid to be rebuilt because the old system is aging and deteriorating.