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Xcel Rate Case Agreement Includes Commitment to Retire Tolk Coal-Fired Power Plant in Texas by 2032

SANTA FE, NM - Yesterday, Sierra Club joined an uncontested comprehensive [agreement](#) in a proceeding before the New Mexico Public Regulation Commission, which will determine whether Xcel Energy can change electricity rates. The agreement includes commitments by Xcel Energy, a subsidiary of Southwestern Public Service Company (SPS) to retire the 1,050 megawatt, coal-fired Tolk power plant in Texas in 2032. The agreement also requires a formal study evaluating an earlier retirement scenario considering the plant's economic decline and the depletion of the Ogallala aquifer, where Tolk withdraws millions of gallons a day in cooling water. Tolk is located in the Texas Panhandle and provides electricity to both New Mexico and Texas.

These New Mexico commitments are not effective until Commission approval, and will be considered next by the hearing examiner in February. The examiner will submit a recommendation on the stipulation to the Commission for a final decision.

In response to this agreement, Camilla Feibelman, Director of the Rio Grande Chapter of the Sierra Club, released the following statement:

“This settlement is an important step toward getting off dirty, polluting coal in both New Mexico and Texas, and conserving the panhandle's precious water supply. A rapid transition away from coal and towards renewable energy, storage technologies, and efficiency is essential to solving the global climate crisis and ensuring a sustainable water supply for the arid west. Luckily, New Mexico and Texas have plenty of wind and solar resources to meet that challenge.”

Background:

In 2019, Xcel filed applications in separate jurisdictions to increase its rates charged to New Mexico and Texas customers. Xcel operates two large coal plants (Tolk and Harrington) in the Texas panhandle that serve customers in both Texas and New Mexico. Xcel sought approval to retire Tolk not later than 2032 through regulatory proceedings. Tolk uses groundwater in the arid Texas Panhandle thus Xcel wants an earlier retirement due to lack of groundwater availability.

Sierra Club reports that an even earlier retirement than requested for both Xcel coal plants would result in cost savings, pollution reduction, and water conservation.

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About the Sierra Club

The Sierra Club is America's largest and most influential grassroots environmental organization, with more than 3 million members and supporters. In addition to helping people from all backgrounds explore nature and our outdoor heritage, the Sierra Club works to promote clean energy, safeguard the health of our communities, protect wildlife, and preserve our remaining wild places through grassroots activism, public education, lobbying, and legal action. For more information, visit www.sierraclub.org.