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SENATE MEMORIAL 10

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

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A MEMORIAL

REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL, IN CONJUNCTION WITH THE PUBLIC REGULATION COMMISSION, TO CONDUCT AND OVERSEE A STUDY TO DETERMINE THE PUBLIC, RATEPAYER, ENVIRONMENTAL AND ECONOMIC BENEFITS AND COSTS AND THE TECHNICAL FEASIBILITY OF A STATE-LEVEL PUBLIC UTILITY MODEL FOR NEW MEXICO.

WHEREAS, the transition to renewable energy sources for New Mexico presents numerous opportunities to not only achieve statewide one-hundred-percent renewable energy and storage electricity needs at lower cost but also, through the provision of renewable energy and storage on its grid, to explore the possibility of exporting renewable energy and developing new markets; and

WHEREAS, New Mexico has the second-highest solar capacity and eleventh-highest wind capacity of any state in the nation

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1 and has the ability to deliver terawatts of energy to western
2 states such as California and Arizona, which require a one-
3 hundred-percent clean energy supply by 2045; and

4 WHEREAS, the legislature established the New Mexico
5 renewable energy transmission authority in 2007 to facilitate
6 development of electric transmission and storage projects; and

7 WHEREAS, the New Mexico renewable energy transmission
8 authority found that:

9 A. New Mexico has the potential to develop one
10 hundred thirty-seven thousand megawatts of wind energy and
11 eight hundred twenty-four thousand megawatts of solar energy on
12 state trust and private lands;

13 B. the total investment in the development,
14 construction and operation of new renewables and transmission
15 ranges from nine billion three hundred million dollars
16 (\$9,300,000,000) to eleven billion two hundred million dollars
17 (\$11,200,000,000) through 2032; and

18 C. three thousand seven hundred development and
19 construction jobs will be created by 2032, with eight hundred
20 permanent jobs in the future; and

21 WHEREAS, in the 2021 regular legislative session, the New
22 Mexico legislature passed Senate Bill 112, which created the
23 sustainable economy task force and developed a plan to
24 transition the state's economy from over-dependence on
25 extractive industries; and

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1 WHEREAS, a workforce solutions department study
2 overwhelmingly supports the diversification of the state's
3 economy and recommends procurement of as much of the state's
4 electricity from wind and solar energy as possible; and

5 WHEREAS, despite only ten percent of electricity in the
6 United States coming from public power facilities,
7 approximately forty percent of this electricity was generated
8 from non-carbon-emitting sources; and

9 WHEREAS, public power utilities generate more than sixty
10 billion dollars (\$60,000,000,000) in annual revenue and invest
11 more than two billion dollars (\$2,000,000,000) annually
12 directly back into their communities; and

13 WHEREAS, public power utilities invest this revenue back
14 into their communities through payments in lieu of taxes,
15 providing local jobs with great benefits, offering free or
16 reduced-cost electric services and supporting local causes and
17 charities;

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
19 OF NEW MEXICO that the legislature recognize the immediate need
20 to build and invest in large-scale renewable energy projects,
21 the opportunity to become a leader in the renewable energy
22 market and that immediate participation in this market may
23 generate significant ongoing revenue for the state; and

24 BE IT FURTHER RESOLVED that the New Mexico legislative
25 council be requested to cooperate with the New Mexico public

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1 regulation commission to investigate, pursue discovery and
2 continue regulation to evaluate and determine if public power
3 ownership for New Mexico would result in a net public benefit;
4 and

5 BE IT FURTHER RESOLVED that the New Mexico legislative
6 council, in conjunction with the public regulation commission,
7 conduct and oversee a study to determine the public, ratepayer,
8 environmental and economic benefits and costs and the technical
9 feasibility of a state-level public utility model for New
10 Mexico; and

11 BE IT FURTHER RESOLVED that the study be requested to
12 explore how best to deliver electricity to consumers in light
13 of the technological changes in electricity supply devoted to
14 the generation and delivery of renewable electricity; and

15 BE IT FURTHER RESOLVED that the public regulation
16 commission and other stakeholders be requested to report to the
17 legislative finance committee, the interim committee that hears
18 topics related to water and natural resources and the interim
19 committee that hears topics related to economic development and
20 policy as to the progress of the study; define the potential
21 viability of public power, including evaluation of the costs
22 and benefits; identify best practices and lessons learned from
23 other states' experiences in implementing public power or
24 community choice energy; and define the best pathways for
25 implementation; and

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1 BE IT FURTHER RESOLVED that the study be requested to
2 develop recommendations for a reconstituted energy supply
3 system in New Mexico based on a public power model and a new
4 regulatory framework for the public regulation commission to
5 guide the implementation of the new system; and

6 BE IT FURTHER RESOLVED that the new system have a goal of
7 giving New Mexican consumers as much local power and control as
8 possible, while ensuring enough operational power and control
9 for major public policy goals such as the export of renewable
10 energy to bolster the state budget, performance incentives
11 incorporated into any wholesale power purchase, rate equity and
12 reliability standards; and

13 BE IT FURTHER RESOLVED that the New Mexico legislative
14 council, the public regulation commission and other
15 stakeholders be requested to report to the legislative finance
16 committee, the interim committee that hears topics related to
17 water and natural resources and the interim committee that
18 hears topics related to economic development and policy as to
19 the findings and conclusions of the study by December 1, 2022;
20 and

21 BE IT FURTHER RESOLVED that copies of this memorial be
22 transmitted to the co-chairs of the New Mexico legislative
23 council, the chair of the public regulation commission and the
24 chair of the legislative finance committee.

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