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SENATE BILL 380

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Leonard Tsosie

AN ACT

RELATING TO ELECTRIC UTILITY CHARGES; AMENDING PROVISIONS
REGARDING THE SYSTEM BENEFITS CHARGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 62-3A-13 NMSA 1978 (being Laws 1999,
Chapter 294, Section 13) is amended to read:

"62-3A-13. SYSTEM BENEFITS CHARGE--RECOVERY.--A "system
benefits charge" in the amount of three hundredths of one cent
 (\$.0003) per kilowatt-hour is created and imposed on all
retail kilowatt-hour sales in the state billed by public
utilities, municipal utilities and distribution cooperative
utilities beginning January 1, 2002. On January 1, 2007, the
system benefits charge shall increase to six hundredths of one
cent (\$.0006) per kilowatt-hour. ~~[The commission shall
eliminate any portion of the system benefits charge that is~~

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1 ~~not being used for the purposes specified in Section 15 of the~~
2 ~~Electric Utility Industry Restructuring Act of 1999.]~~ The
3 system benefits charge shall be separately identified on bills
4 rendered to customers beginning on January 1, 2002. "

5 Section 2. Section 62-3A-15 NMSA 1978 (being Laws 1999,
6 Chapter 294, Section 15) is amended to read:

7 "62-3A-15. ELECTRIC INDUSTRY SYSTEM BENEFITS FUND
8 CREATED--SUPPORT FOR ADMINISTRATION AND CUSTOMER INFORMATION,
9 LOW-INCOME CUSTOMERS AND RENEWABLE TECHNOLOGY.--

10 A. The "electric industry system benefits fund" is
11 created in the state treasury and consists of money collected
12 as a wires charge [~~assessed on a~~] of three hundredths of one
13 cent (\$.0003) per kilowatt-hour [basis] from January 1, 2002
14 until December 31, 2006 and six hundredths of one cent
15 (\$.0006) per kilowatt-hour beginning January 1, 2007 as the
16 system benefits charge collected monthly and paid quarterly to
17 the department of environment for deposit in the fund. No
18 other money shall be deposited or paid in the electric
19 industry system benefits fund. Interest or other earnings
20 from investment or deposit of the fund shall not be credited
21 to the fund. Any unexpended or unencumbered balance remaining
22 in the fund at the end of any fiscal year shall not be
23 transferred to the general fund but shall remain in the fund
24 for distribution.

25 B. Money in the electric industry system benefits

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1 fund is appropriated to the department [~~of environment~~] solely
2 for the purpose of disbursing money to authorized recipients
3 for authorized purposes as described in Subsection D of this
4 section. Disbursements from the fund shall be made upon
5 certification by the secretary of environment that the
6 disbursement is for a payment authorized by this section [~~15~~
7 ~~of the Electric Utility Industry Restructuring Act of 1999~~].

8 C. The department shall promulgate rules
9 establishing the application procedure and required
10 qualifications of projects, including a person or business
11 that may attempt to participate, contract or join with an
12 authorized recipient in applying for a disbursement from the
13 fund. The department may periodically accept applications for
14 disbursement from the fund and shall prioritize the acceptable
15 applications considering:

16 (1) the contribution the project offers to
17 the knowledge of and potential commercialization of the
18 renewable energy;

19 (2) the geographic area of the state in which
20 the project is to be conducted in relation to other projects;

21 (3) the cost of the project and the relative
22 contribution of the disbursement sought from the fund to the
23 total cost of the project; and

24 (4) in the case of a project of a school
25 district, the number and involvement of students in the

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1 project.

2 D. The department shall manage, administer and
3 maintain the fund in the following manner and for the
4 following purposes:

5 (1) no more than one hundred thousand dollars
6 (\$100,000) annually to the department for administration of
7 the fund;

8 (2) five hundred thousand dollars (\$500,000)
9 annually to the commission for consumer education and
10 information and for administration of the Electric Utility
11 Industry Restructuring Act of 1999;

12 (3) no less than five hundred thousand
13 dollars (\$500,000) annually for low-income energy assistance
14 through the federal low-income housing energy assistance
15 project to be expended for that project's weatherization
16 program administered by the New Mexico mortgage finance
17 authority or for other low-income energy assistance authorized
18 and administered by the state;

19 (4) no more than four million dollars
20 (\$4,000,000) annually to encourage the use of renewable energy
21 through the initiation, development and evaluation of
22 renewable technology projects authorized and directed by
23 public post-secondary educational institutions or a school
24 district in conjunction with the education of its students or
25 by the governing body of ~~[an incorporated city, town or~~

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1 ~~village]~~ a municipality or a county, each in conjunction with
2 the respective governing body's interest in protecting the
3 environment and reducing the city's or county's utility costs;
4 and

5 (5) no more than four million dollars
6 (\$4,000,000) to the governing body of a community or Indian
7 nation, tribe or pueblo, where limited or no electric service
8 is available, to develop electric service through the
9 initiation and implementation of new projects, including those
10 using renewable energy, to provide or extend electric service
11 in low-income communities.

12 E. The department shall submit to the legislative
13 finance committee prior to each regular legislative session a
14 report on disbursements made from the fund to include, at a
15 minimum:

16 (1) a list of recipients receiving
17 disbursements;

18 (2) the amount of each disbursement;

19 (3) the date of each disbursement;

20 (4) a description of each project or
21 expansion funded with a disbursement;

22 (5) a description of each project's
23 contribution to the state's knowledge and use of renewable
24 energy and developing technologies; and

25 (6) a description of the expansion of

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1 electric service in the state. "

2 Section 3. Section 62-3A-22 NMSA 1978 (being Laws 1999,
3 Chapter 294, Section 22) is amended to read:

4 "62-3A-22. COMMISSION REVIEW AND RECOMMENDATIONS. --The
5 commission shall docket a proceeding to review the system
6 benefits charge and the electric industry system benefits
7 fund, their operation and effectiveness and [~~then to~~] shall
8 make recommendations to the legislature by January 10, 2004
9 for [~~any repeal of or~~] changes to these provisions. "

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