

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

In Section 1 of the Bill, a new section is proposed to be added to Chapter 62, Article 9 NMSA to establish a framework for public utilities to develop new Advanced Grid Technology Plans. The Bill would require utilities to file Advanced Grid Technology Plans along with and at the same time (or earlier, if they desire) as currently required Integrated Resource Plans (“IRPs”). As established in Commission rules, IRPs are currently on a 3-year rotation, with PNM having filed their first in 2023, SPS having filed their first in 2024, and EPE’s being due in 2025. The Section further details requirements of the Advanced Grid Technology Plans, requires them to be filed in accordance with and pursuant to statutes that govern Certificates of Public Convenience (“CCNs”) and Commission location control approval, provides standards for the Commission to follow when considering approval of Advanced Grid Technology Plans, allows for utility cost recovery mechanisms and sets deadlines for their approval, exempts cost recovery that is under the jurisdiction of the Federal Energy Regulatory Commission, exempts Distributive Cooperative Utilities from the statute, and defines the term “project” as used in Advanced Grid Technology Plans.

Section 2 of the Bill contains definitions associated with the Advanced Grid Technology Plans.

Section 3 of the Bill amends the existing Efficient Use of Energy Act (“EUEA”) by adding several of the definitions from Section 2.

Section 4 of the Bill adds Advanced Grid Technologies to the current Integrated Resource Plans statute.

Section 5 of the Bill adds Advanced Grid Technologies to Distributive Cooperative Utilities annual filing requirements.

Section 6 makes the Bill’s provisions effective as of July 1, 2025.

FISCAL IMPLICATIONS

HB 93 would have an additional financial impact on the PRC for the following additional resources: 1/16 of Office of General Counsel attorney (\$9,450), 1/8 Legal attorney (\$18,220), 1/16 public utilities economist (\$7,530), 1/16 Utilities Division engineer (\$8,900), 1/8 hearing examiner (\$11,300). For a total of annual cost to PRC of \$55,400 in FY26 and \$58,700 in FY27.

SIGNIFICANT ISSUES

In general, having public utilities file another plan increases the risk of “piecemeal ratemaking.” However, tying Advance Grid Technology Plans to Integrated Resource Plans is problematic in that Integrated Resource Plans are non-adjudicative planning dockets with little, to no, express resource approval, no cost approvals and is subject to change. Advance Grid Technology Plans necessarily must be adjudicative, potentially contested, require direct and binding approvals, and approve costs and cost recovery.

Requiring utilities to adhere to Certificate of Convenience and Necessity and location control statutes when filing Advance Grid Technology Plans could introduce significant delay and complexity to filing the plans themselves, and the plan approval process.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

The Bill would likely require the Commission to initiate rulemaking to establish clear guidelines and processes for utilities to follow when drafting and filing Advanced Grid Technology Plans, as well as initiating rulemaking to amend the current Integrated Resource Plans and Efficient Use of Energy Act rules.

With any additional filing requirements imposed on utilities, the PRC must allocate sufficient staffing resources to ensure adequate analysis, review and, if necessary, adjudicatory process. Such additional obligations will require more staffing at the PRC.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

Advanced Grid Technology Plans complement and enhance grid modernization programs, which also contain cost approval and recovery mechanisms. Therefore, the Advanced Grid Technology Plans may be a better fit with the grid modernization programs or the Efficient Use of Energy Act plans instead of Integrated Resource Plans, as they have more similar requirements and purposes.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

N/A