

LFC Requester:

Julisa Rodriguez

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Date Prepared: 1/29/2025

Check all that apply:

Bill Number: SB 156

Original  Correction Amendment  Substitute 

Sponsor:	Sens. Stefanics & Wirth	Agency Name and Code Number:	430 – Public Regulation Commission
	Rep. Ortez & Romero		
Short Title:	LOW-INCOME UTILITY USERS	Person Writing Phone:	Judith Amer (505)490-2696
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$16.98	\$17.998	\$34.978	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB 91  
Duplicates/Relates to Appropriation in the General Appropriation Act:

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis:

SB 156 introduces a new definition for “low-income customer” in the Public Utility Act 62-3-3, organizes the existing definitions alphabetically, and makes minor, non-substantive changes to the presentation of certain definitions. In addition, SB 156 amends Section 62-13-13.2. pertaining to utility cost recovery for interconnecting distributed generation (solar panels) customers, by exempting low-income customers from rate riders for new interconnected customers. Lastly, it enacts a new section of the Public Utility Act, to provide instructions for how to qualify as a low-income customer.

The new definition is: “H. "low-income customer" means a residential customer of an electric public utility with an annual household income at or below eighty percent of the county area median income, as published by the United States department of housing and urban development;...”

SB 156 would enact new qualifications to become a low-income customer as follows. A customer seeking to become a low-income customer shall provide to the public utility: “(1) a signed self-attestation that the customer's household income and household size qualify the customer as a low-income customer; (2) proof of residence in a low-income or affordable housing facility; or (3) proof of current enrollment in a low-income program facilitated or administered by the state or federal government...” In addition, by December 31<sup>st</sup> of each year, the electric public utility shall notify its customers of the requirements to qualify as a low-income customer and instructions on how to submit any required documentation; however, the utility shall not requalify a low-income customer within five years of the customer's last qualification.

The current Section 62-13-3.2, entitled Interconnected Customers-Utility Cost Recovery, states that upon request of an investor-owned utility, in a general rate case, the Commission shall approve interconnected customer rate riders to recover the costs of interconnecting distributed generation (solar panels) for “new interconnected customers”. SB 156 amends Subsection D. to exempt “low-income customers” from the definition of “new interconnected customers”.

#### **FISCAL IMPLICATIONS**

SB 156 would have an additional financial impact on the PRC for the following additional resources: 1/16 public utilities economist (\$7,530) and 1/16 of Office of General Counsel attorney (\$9,450). For a total of annual cost to PRC of \$16,980 in FY26 and \$17,998 in FY27.

#### **SIGNIFICANT ISSUES**

While SB 156, which does not specify a rate rider by name, it implies that it affects distributed generation rate riders set forth in Section 62-13-13.2, since it simultaneously amends that statute’s

#### Subsection D.

The newly added definition of low-income customer to the general definitions of the Public Utility Act, Section 62-3-3, implicates all the other statutes contained in the Public Utility Act, such as the Community Solar Act, the Transportation Electrification Act and the Grid Modernization Act. The new definition of a low-income customer is most likely applicable to those statutes.

SB 156 aims to reduce costs for low-income electric utility customers by exempting them from rate riders associated with new interconnection costs when they install distributed generation (solar panels) in order to generate some or all of their own electricity on-site. This would likely increase costs to all other residential customers in order to pay for the low-income new interconnection costs. Therefore, the benefit to low-income customers applies only to low-income customers that newly interconnect their distributed generation (solar) to the public utility. Other low-income customers and other residential customers are not benefited and are subject to the same rate riders as other customers.

Current statutes aim to prevent subsidization within a rate class unless subsidization is expressly allowed, such as by the Community Solar Act. By exempting low-income residential customers from the costs of newly interconnected distribution generation, other residential customers within the same rate class would bear costs that benefit certain low-income customers in that class and that would be a subsidization by the other residential customers.

#### **PERFORMANCE IMPLICATIONS**

N/A

#### **ADMINISTRATIVE IMPLICATIONS**

N/A

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to HB 91 PUBLIC UTILITY RATE STRUCTURES which amends the Public Utility Act to allow different rates for low-income customers. If SB 156 and HB 91 are both signed into law, then the new definition of low-income customer included in SB 156 would apply to HB 91.

#### **TECHNICAL ISSUES**

None

#### **OTHER SUBSTANTIVE ISSUES**

The Low Income Utility Assistance Act, Chapter 27, Article 6, NMSA 1978 currently exists to assist low-income utility customers to pay utility bills.

#### **ALTERNATIVES**

None.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

#### **AMENDMENTS**

None.

