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HOUSE JOINT MEMORIAL 75

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

GARY K. KING

A JOINT MEMORIAL

DIRECTING THE NEW MEXICO PUBLIC UTILITY COMMISSION TO MONITOR
AND EVALUATE THE ELECTRIC POWER INDUSTRY AND REPORT TO THE
LEGISLATURE BEFORE ANY RESTRUCTURING OF THE INDUSTRY IS
IMPLEMENTED.

WHEREAS, the integrated water and resource planning
committee of the state legislature investigated, studied and
evaluated the advantages and disadvantages of retail wheeling
and alternative restructuring schemes applicable to the electric
power industry; and

WHEREAS, it has been determined that these issues affect
all New Mexicans and many varied interests, including individual
residents, small and large commercial interests, environmental
concerns, renewable energy technologies, in-state utilities,
which include the rural electric cooperatives, existing and

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1 potential other power suppliers, utility shareholders and other
2 investors in New Mexico and its future; and

3 WHEREAS, the infusion of competitive influences into the
4 electric power industry may eventually prove valuable and
5 beneficial to all New Mexicans; and

6 WHEREAS, wholesale wheeling negates the need for actual
7 long-distance transfer of electricity to provide service to a
8 local customer; and

9 WHEREAS, it is in the purview of the New Mexico public
10 utility commission to monitor and evaluate the electric power
11 industry and applicable market influences and factors, subject
12 to legislative oversight;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the New Mexico public utility
15 commission be directed to monitor and evaluate the potential
16 restructuring of the electric power industry and consider the
17 following equivalent factors:

18 A. all ratepayers in the state should benefit
19 directly with lower rates from any proposed restructuring;

20 B. any proposed restructuring must maintain and
21 possibly encourage the financial health and economic viability
22 of each of the state's utilities;

23 C. any proposed restructuring must provide for
24 appropriate protection of the state's interests, including in-
25 state utilities, from unfair or advantaged competition from

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1 utilities or others from outside the state; and

2 D. the costs, including transition costs, of any
3 proposed restructuring must be shared and apportioned equitably
4 among the varied interests benefitted by the proposed
5 restructuring; and

6 BE IT FURTHER RESOLVED that the New Mexico public utility
7 commission consider the following additional factors in its
8 monitoring and evaluation:

9 A. the avoidance, if possible, of litigation over
10 any proposed restructuring;

11 B. the merits of transitional, phased-in,
12 experimental or pilot projects to further determine the
13 potential advisability of the restructuring of the electric
14 power industry;

15 C. the experience of other states whose market
16 influences may be suited for either retail wheeling or industry
17 restructuring;

18 D. the benefit of wholesale competition, in the long
19 run, in lieu of or in conjunction with retail competition;

20 E. potential benefits for residential consumers of
21 retail wheeling; and

22 F. the measures by which an evaluation of any
23 proposed industry restructuring can be made; and

24 BE IT FURTHER RESOLVED that the New Mexico public utility
25 commission report its findings, conclusions and recommendations

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to the state legislature; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the New Mexico public utility commission.

State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 11, 1996

Mr. Speaker:

Your CONSUMER AND PUBLIC AFFAIRS COMMITTEE, to
whom has been referred

HOUSE JOINT MEMORIAL 75

has had it under consideration and reports same WITHOUT
RECOMMENDATION, and thence referred to the ENERGY
AND NATURAL RESOURCES COMMITTEE.

Respectfully submitted,

Gary K. King, Chairman

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SECOND SESSION, 1996

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Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

Excused: Baca, Charley, Vigil

Absent: None

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