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SENATE JOINT MEMORIAL 42

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

INTRODUCED BY

MICHAEL S. SANCHEZ

FOR THE INTEGRATED WATER AND RESOURCE PLANNING COMMITTEE

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, the committee determined that these issues affect  
all New Mexicans and many varied interests, including, among  
others, individual residents, small and large commercial  
interests, environmental concerns, renewable energy  
technologies, in-state utilities, which include the rural

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

4 WHEREAS, the integrated water and resource planning  
5 committee determined that, although at this time neither retail  
6 wheeling nor any restructuring of the electric power industry is  
7 in the best interests of New Mexico or its residents, the  
8 infusion of competitive influences into the electric power  
9 industry may eventually prove valuable and beneficial to all New  
10 Mexicans; and

11 WHEREAS, the integrated water and resource planning  
12 committee believes that the New Mexico public utility commission  
13 should monitor and evaluate the electric power industry and  
14 applicable market influences and factors, subject to legislative  
15 oversight; and

16 WHEREAS, any restructuring of the electric power industry  
17 is so affected with the public interest as to require  
18 legislative review and approval;

19 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
20 STATE OF NEW MEXICO that, although neither the implementation of  
21 retail wheeling nor the restructuring of the electric power  
22 industry is justified or in the best interests of the state and  
23 its residents at this time, monitoring and evaluation of the  
24 electric power industry and the applicable market influences on  
25 the industry may change in the future sufficiently to justify

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1 further consideration of these alternatives; and

2 BE IT FURTHER RESOLVED that the New Mexico public utility  
3 commission be directed to conduct the monitoring and evaluation  
4 of the potential restructuring of the electric power industry,  
5 subject to legislative direction and guidance; and

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

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

11 B. any proposed restructuring must maintain and  
12 possibly encourage the financial health and economic viability  
13 of each of the state's utilities;

14 C. any proposed restructuring must provide for  
15 appropriate protection of the state's interests, including in-  
16 state utilities, from unfair or advantaged competition from  
17 utilities or others from outside the state; and

18 D. the costs, including stranded asset costs, of any  
19 proposed restructuring must be shared and apportioned equitably  
20 among the varied interests benefitted by the proposed  
21 restructuring; and

22 BE IT FURTHER RESOLVED that the New Mexico public utility  
23 commission consider the following additional factors in its  
24 monitoring and evaluation:

25 A. the avoidance, if possible, of initiating or

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1 instigating litigation over any proposed restructuring;

2 B. the merits of transitional, phased-in,  
3 experimental or pilot projects to further determine the  
4 potential advisability of the restructuring of the electric  
5 power industry;

6 C. the experience of other states whose market  
7 influences may be better suited at this time for either retail  
8 wheeling or industry restructuring;

9 D. the benefit of wholesale competition, in the long  
10 run, in lieu of retail competition; and

11 E. the measures by which an evaluation of any  
12 proposed industry restructuring can be made; and

13 BE IT FURTHER RESOLVED that the New Mexico public utility  
14 commission report its findings, conclusions and recommendations  
15 to the state legislature for legislative approval and action as  
16 necessary before any proposed restructuring may be implemented;  
17 and

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

1 FORTY- SECOND LEGI SLATURE  
2 SECOND SESSI ON, 1996  
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5 February 3, 1996  
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7 Mr. President:  
8

9 Your RULES COMMI TTEE, to whom has been referred  
10

11 SENATE JOINT MEMORIAL 42  
12

13 has had it under consideration and reports same with  
14 recommendation that it DO PASS.  
15

16 Respectfully submit ted,  
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21 Gl oria Howes, Chair man  
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25 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chi ef Clerk) (Chi ef Clerk)

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Date \_\_\_\_\_

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: EJennings, Wray, Donisthorpe

Absent: 0

SJ042RU1

# State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 12, 1996

Mr. Speaker:

Your ENERGY AND NATURAL RESOURCES COMMITTEE, to  
whom has been referred

SENATE JOINT MEMORIAL 42

has had it under consideration and reports same with  
recommendation that it DO PASS.

Respectfully submitted,

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James Roger Madalena, Chairman

FORTY-SECOND LEGISLATURE  
SECOND SESSION, 1996

HENRC/SJM 42

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 0 Against

Yes: 8

Excused: None

Absent: McSorley, Stewart, Salazar

SJ042EN1

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