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SENATE BILL 691

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

INTRODUCED BY

Timothy Z. Jennings

AN ACT

**RELATING TO THE PRODUCTION OF ELECTRICAL ENERGY; PROVIDING FOR
A LEGISLATIVE INTERIM COMMITTEE TO STUDY THE ECONOMIC
FEASIBILITY OF CONSTRUCTING AND OPERATING A COAL-FIRED
ELECTRICAL GENERATING PLANT IN NORTHEAST NEW MEXICO; MAKING AN
APPROPRIATION; DECLARING AN EMERGENCY.**

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

**Section 1. ELECTRICAL GENERATING PLANT--FINDINGS--
FEASIBILITY STUDY.--**

A. The legislature finds that:

**(1) there is a shortage of electrical
generating capacity in the western United States;**

**(2) a coal-fired electrical generating
facility in northeastern New Mexico, utilizing New Mexico's
coal and land resources, could provide jobs and low-cost**

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1 electricity to the region with resulting economic growth;

2 (3) the sales of surplus electricity, not
3 needed by New Mexico businesses and residents, could provide
4 additional revenue; and

5 (4) a study should be conducted to examine
6 the feasibility of the state entering into a joint venture
7 with private industry to finance, construct and operate such a
8 coal-fired generating facility by the most feasible methods.

9 B. The purpose of this section is to provide for a
10 comprehensive feasibility study of the cost and benefits of
11 financing, constructing and operating a coal-fired electrical
12 generating facility in northeastern New Mexico.

13 C. There is created a joint interim legislative
14 committee that shall be known as the "electrical generation
15 study committee". The committee shall function from the date
16 of its appointment until the first day of December prior to
17 the second session of the forty-fifth legislature. The
18 electrical generation study committee shall be composed of six
19 members. Three members of the house of representatives shall
20 be appointed by the speaker of the house of representatives.
21 Three members of the senate shall be appointed by the senate
22 committees' committee or, if the senate appointments are made
23 in the interim, by the president pro tempore of the senate
24 after consultation with and agreement of a majority of the
25 members of the senate committees' committee. Members shall be

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1 appointed from each house so as to give the two major
2 political parties in each house the same representation on the
3 electrical generation study committee as prevails in each
4 house. However, in no event shall either party have less than
5 one member from each house on the committee. The speaker of
6 the house of representatives and the president pro tempore of
7 the senate shall each appoint a co-chairman of the committee.
8 A vacancy on the electrical generation study committee shall
9 be filled by appointment in the same manner as the original
10 appointment. No action shall be taken by the electrical
11 generation study committee if a majority of the total
12 membership from either house on the committee rejects the
13 action.

14 D. After its appointment, the electrical
15 generation study committee shall hold one organizational
16 meeting to develop a work plan and budget for the ensuing
17 interim. The work plan and budget shall be submitted to the
18 New Mexico legislative council for approval. Upon approval of
19 the work plan and budget by the New Mexico legislative
20 council, the electrical generation study committee shall:

21 (1) pursuant to the Procurement Code, select
22 a person to study the costs and benefits of financing,
23 constructing and operating a coal-fired electrical generating
24 plant in northeastern New Mexico. The study shall include:

25 (a) the feasibility of the state

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1 entering into a joint venture for the costs and operation of
2 the plant under which the state would supply the land and a
3 portion of the initial capital and operating costs and direct
4 a streamlined program in return for a long-term contract for
5 electricity at the lowest obtainable price for the benefit of
6 new and existing New Mexico businesses and residents;

7 (b) projections for the future demand
8 for electricity and prices in California and the rest of the
9 western United States;

10 (c) projections for the cost of coal
11 for the generating plant;

12 (d) the overall economic feasibility of
13 financing and constructing such a facility;

14 (e) alternatives to the facility that
15 may stimulate economic development to the region;

16 (f) any potential environmental and
17 social costs of the facility; and

18 (g) any other issues identified by the
19 study committee;

20 (2) receive periodic progress reports from
21 the person performing the study and take the responsibility
22 for the overall direction of the study; and

23 (3) forward the results of the study with the
24 recommendations and comments of the committee to the governor
25 and the legislature by December 15, 2001 for consideration by

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1 the second session of the forty-fifth legislature.

2 E. The public regulation commission, the
3 commissioner of public lands, the energy, minerals and natural
4 resources department, the economic development department and
5 every other state agency and political subdivision of the
6 state shall, upon request, furnish and make available to the
7 electrical generation study committee documents, material or
8 information requested by the members of the committee or its
9 staff.

10 F. The staff for the electrical generation study
11 committee shall be provided by the legislative council
12 service.

13 Section 2. APPROPRIATION.--Two hundred thousand dollars
14 (\$200,000) is appropriated from the general fund to the
15 legislative council service for expenditure in fiscal years
16 2001 and 2002 for the purpose of carrying out the provisions
17 of this act. Any unexpended or unencumbered balance remaining
18 at the end of fiscal year 2002 shall revert to the general
19 fund.

20 Section 3. EMERGENCY.--It is necessary for the public
21 peace, health and safety that this act take effect
22 immediately.