

LFC Requester:

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://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:** 01/29/2025 *Check all that apply:*  
**Bill Number:** SB 170 Original  Correction   
 Amendment  Substitute

<p><b>Sponsor:</b> <u>Sens. Padilla &amp; Brandt</u>  <u>Reps. Dixon &amp; J. Hernandez</u></p> <p><b>Short Title:</b> <u>NMFA Definitions, Funds &amp; Rates</u></p>	<p><b>Agency Name and Code</b> 419  <b>Number:</b> _____  <b>Person Writing</b> <u>R. Black</u>  <b>Phone:</b> (505) 469-5946 <b>Email</b> <u>Rob.black@edd.nm.gov</u></p>
---	--

**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>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

Senate Bill 170 amends existing statutes including the New Mexico Finance Authority (NMFA) Act, Public Projects Revolving Fund, Public Regulation Commission (PRC) Powers and Duties, PRC new construction and ratemaking principles.

SB 170 adds rural electric cooperatives to the definition of “qualified” entity. The bill also creates a ten-year sunset of the requirement for public projects pursuant to the Public Project Revolving Fund to be authorized specifically by law.

The bill amends sections of PRC economic development rates for gas and electric utilities to allow for public utilities to recover prudent and reasonable costs incurred for utilities deployed for economic development projects. Cost recovery will be by a rate rider when the equipment and facilities begin serving the new load associated with the economic development project. Public utilities will be able to treat costs incurred for economic development projects not included in rates as a regulatory asset so that those costs would not be required to be written off as an expense without recovery. The PRC will review public utility applications and provide a determination within six months. All projects eligible for the expedited PRC review must be previously certified by the EDD secretary as economic development projects.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

Senate Bill 170 creates more certainty for utilities that are interested in pre-deploying utility to a site that has been deemed as an economic development project by the EDD secretary. Currently utilities wait for a customer to sign an agreement before they start developing the infrastructure to serve that client, a process which could take up to five years. These long lead times for utility deployment make New Mexico uncompetitive for economic development projects that require new utility infrastructure. For rural electric cooperatives the bill creates a funding mechanism to help support utility pre-deployment through the NMFA Public Projects Revolving Fund. The bill will greatly reduce the time from site identification to construction to production for business locating in sites that have been identified by EDD as economic development sites.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

Administrative implications are minimal for EDD and can be managed and assumed within

existing budget allocations.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**