

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

Introduced by:
Commissioner Anna Hansen and Commissioner Anna Hamilton

RESOLUTION NO. 2022 - 066

A RESOLUTION
IN SUPPORT OF A MEMORIAL REQUESTING THE NEW MEXICO PUBLIC
REGULATION COMMISSION STUDY PUBLIC POWER IN
THE STATE OF NEW MEXICO

WHEREAS, New Mexico has some of the best combined potential wind and solar resources in the nation; and

WHEREAS, in the past 10 years, the price of solar electricity has declined by 90% while the efficiency of batteries has increased by 90% with the result that New Mexico could and should see the first large sustained decrease in electricity costs in more than 50 years; and

WHEREAS, New Mexico lawmakers passed the most ambitious state-level climate legislation in the country and among the most ambitious in the world. The Energy Transition Act ("ETA") mandates that New Mexico's electricity sector sources becomes 100% zero carbon by the year 2045;

WHEREAS, the majority of New Mexicans obtain their electric power via a system operated by Investor Owned Utilities such as Public Service Company of New Mexico, El Paso Electric, and Southwestern Public Service; and

WHEREAS, New Mexico can be a leader in the design of a new energy system with the priorities of its citizen's held in the highest regard:

- **Climate responsibility, resilience and safety over profit:** Because New Mexico is an area of the US greatly affected by climate change. The state is in the midst of a 22-year drought; temperatures are predicted to rise significantly; mountain snowpack is diminished; water resources are predicted to be diminished by evaporation and reduction in stream flow. New Mexico has a great responsibility to address climate change by designing and building an energy system that addresses the current challenges and those that lay ahead.
- **Public Leadership:** Because public entities are in the best position to exercise a leadership role with regard to the creation of a new energy system and because they are not constrained by the interest of shareholders who own and govern investor-owned utilities, all options in the public interest may be directly and expeditiously addressed. Moreover, profits paid to shareholders will instead remain in the State of New Mexico.
- **Coordination with the state:** Instead of attempting to induce slightly better behavior from private for-profit utilities through complex and costly regulations, the State of

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New Mexico may leverage its own power to quickly and effectively implement operational, managerial innovation, professionalism, and competence.

- **Democratizing energy:** Because a public entity is owned by and accountable to New Mexicans, there are more opportunities to shape public power into a more democratic institution than a private company would allow. Robust democratic reforms, including heightened accountability, transparency, and stakeholder participation standards, would help ensure that the New Mexico public power entities benefit New Mexico's low-income communities.
- **Less expensive and equitable financing:** New Mexico's standing as a public entity means that it has access to the municipal bond market lowering the cost of capital for the state. A study should fully evaluate whether a public utility could be structured to use the state's full faith and credit to access public financing, thereby potentially lowering the price of electricity compared to private companies. This access to less expensive capital, combined with the lack of a profit-maximization incentive and a mandate to prioritize disadvantaged communities, could allow New Mexico to increase its investment in a host of decarbonizing strategies without significantly raising costs for communities.

WHEREAS, there is a need for new and innovative thinking about how to modernize the New Mexico electric system and take advantage of the renewable energy technology-driven advancements and provide for the generation of a new stream of revenue for the state through the export of renewable energy; and

WHEREAS, 16 New Mexico legislators have filed a petition ("Petition") with the New Mexico Public Regulation Commission ("PRC") requesting that the PRC be the custodian of a study to identify and evaluate the opportunities and challenges of publicly-owned electrical power for the State of New Mexico; and

WHEREAS, any comprehensive study to evaluate public power should be unbiased and should include a full discussion of the potential costs to acquire assets from existing investor owned utilities, a review of cost estimates in other states that have sought to undertake such a conversion to public power; and

WHEREAS, the passage of the ETA advances the Renewable Portfolio Standard and requires the transition away from coal and other fossil fuel resources. New Mexico utilities have long relied on coal-fired and nuclear-generated resources to produce electricity. But with the declining price for renewables and the aging coal and fossil infrastructure, New Mexico can now transition away from coal; and

WHEREAS, New Mexico can quickly expand the development of renewable energy and phase out fossil fuels, that are significantly less costly. The state has established mandates to fully decarbonize its existing energy infrastructure and decommission its fossil fuel plants; and

WHEREAS, New Mexico can expand efficiency and electrification efforts in the electric, transportation, and building sectors. New Mexico can position itself as a major player in both efficiency and electrification efforts. New Mexico should accelerate its efficiency programming, with a particular focus on supporting low-income housing and transportation to alleviate energy poverty. This could create thousands of sustained jobs between now and 2030, and have an enormous economic impact; and

WHEREAS, the Board of County Commissioners of Santa Fe County (“Board”) adopted the Sustainable Growth Management Plan in 2010, which established, by policy, clean energy directives generally that includes the use of solar renewable energy in new development; and

WHEREAS, the Board adopted Resolution No. 2013-7 on January 29, 2013, a resolution which requires that County government lead by example and implement sustainable resource management principles and cost-effective waste reduction, recycling, and clean energy strategies in County operations; and

WHEREAS, the Board passed Resolution No. 2021-005 to support legislation in the 2021 New Mexico Legislature related to the Advancement of Environmental Sustainability and Climate Action; and

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Santa Fe County:

1. Supports the Petition in support of the initiation and supervision of the Study by the PRC and the Memorial brought in the State House of Representatives and the Senate.
2. Directs the County Manager to send a letter to each member of the PRC and to each member of our state legislative delegation with this request, a copy of this Resolution and the attached Petition.
3. Directs the County Manager to ensure that this request is communicated to all other county commissions in the state of New Mexico requesting that they adopt a similar resolution.

PASSED, APPROVED, AND ADOPTED ON THIS 25th DAY OF JANUARY, 2022.

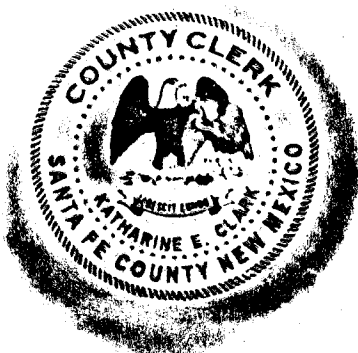
**BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

By: Anna T. Hamilton
Anna T. Hamilton, Chair

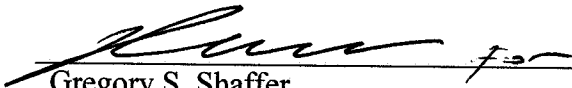
ATTESTATION:
Katharine E. Clark
Katharine E. Clark
Santa Fe County Clerk

Date: 1/25/22

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Approved as to form:



Gregory S. Shaffer
Santa Fe County Attorney


COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 4

I Hereby Certify That This Instrument Was Filed for
Record On The 26TH Day Of January, 2022 at 10:21:35 AM
And Was Duly Recorded as Instrument # **1978209**
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office

Katharine E. Clark

Deputy:  County Clerk, Santa Fe, NM



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