

PUBLIC POWER FOR NEW MEXICO

An Economic Engine to Power the Future
And Benefit the People

A MEMORIAL TO STUDY PUBLIC POWER

The Memorial to Study State Level Public Utility Model, SM 10 and HM 20, requests that the New Mexico Public Regulation Commission initiate and oversee a study to determine the public, ratepayer, environmental and economic benefits and costs, as well as the technical feasibility, of state-level public utility models for New Mexico.

Within the next decade trillions of dollars will be invested in energy infrastructure across the country. Demand for Renewable Energy (RE) is increasing exponentially in western states - expected to reach 150GW by 2050. (NM currently produces 3GW)

A preliminary survey of the potential benefits of Public Power ownership in NM by the H Bailey Group found:

a. Public power ownership will result in immediate cost savings for customers from substantially decreased executive compensation, exemption from income taxes, access to lower cost financing through municipal bonds and elimination of guaranteed Return on Equity payments for utility investments.

b. Public power ownership will accelerate the transition to 100% renewable energy. While IOU's have a fiduciary duty to maximize shareholder profits, publicly owned utilities are accountable to community priorities. Every community in the United States that has achieved 100% renewable energy is served by community owned utilities.

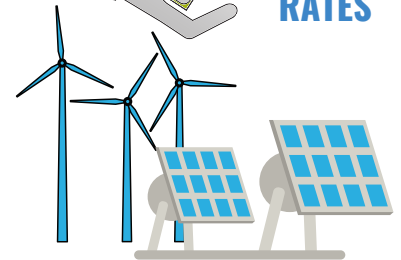
c. If New Mexico adopted Public Power and a developer's mentality toward building transmission infrastructure, it could generate a minimum of 550 permanent jobs and more than \$1 Billion in annual revenue in perpetuity for the benefit of the people of New Mexico.

UNLEASH NEW MEXICO'S RENEWABLE ENERGY & ECONOMIC POTENTIAL

LOCAL CONTROL

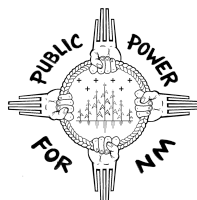


LOWER RATES



KEEP NEW MEXICO ENERGY PROFITS IN NEW MEXICO!

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New Mexico Social Justice & Equity Institute



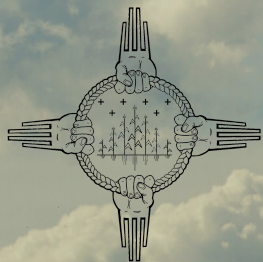
McKinley Collaborative for Health Equity
Where People Place Power Matters!



new energy economy
Addressing the Climate Challenge
With Bold Solutions



Indigenous Lifeways
AIR. WATER. FIRE. EXIST.



WHY IS A STUDY NECESSARY?

WHAT IS PUBLIC POWER? PNM and EPE are investor-owned monopoly utilities (IOU's) and most New Mexico residents have no choice but to buy our power from them, but **we can choose instead to create public electric utilities that will give New Mexicans control of their own infrastructure, power supply and energy profits.**

IOU's have a fiduciary obligation to make as much profit for their shareholders as possible, incentivizing maximum energy prices and disincentivizing efficiency. Those profits are extracted from New Mexico families to Wall Street. A comprehensive study of alternatives to the Investor Owned Utility model is necessary to assess the most beneficial path forward.

WHAT ARE THE ESTABLISHED BENEFITS OF PUBLIC POWER?

- **Local Control**—public utilities are governed by local boards and local values.
- **Innovation**—unconstrained by the profit motive, public utilities can invest in innovations like efficiency projects, micro-grids, community solar and more.
- **Lower Rates**—public power utility rates average 11% less than corporate IOU's.
- **Reliability**—public power utilities prioritize reliability over shareholder returns, invest more in infrastructure and repairs, and average less outages than IOU's.
- **Economic Development**—local ownership of generation and distribution generates local jobs, stimulates the formation of local businesses and provides funds for community projects and priorities.
- **Rapid Energy Transition**—public power ownership incentivizes lower cost energy options and responsiveness to local values. Public power utilities in the US were powered by 40% non-carbon emitting sources in 2019, compared to 2% at PNM.
- **State and Local Revenue**—profits from our sun and wind energy, whether used in New Mexico or exported to markets across the country, should benefit New Mexicans, not IOU shareholders.

Publicly owned utilities filled 14 of 20 top spots in the 2021 J.D. Power Electric Utility Residential Customer Satisfaction Study.

The HBailey Group found that with Public Power ownership, revenue generated from transmission expansion, transmission ownership and exported solar and wind energy could stay in New Mexico. Other benefits include:

- Accelerated build out of transmission and generation capacity.
- State control of transmission lines for additional revenues from renewable energy generation projects.
- Increased competition in the market and flexible business transaction opportunities.
- Increased access for solar developers to export power to markets beyond New Mexico.

WHY IS A STUDY NECESSARY? KNOWLEDGE IS POWER.

A comprehensive feasibility study is necessary to evaluate issues of governance, labor impacts, attainment of renewable energy standards, and the possible generation of revenue through state ownership of transmission and local generation of energy for tribes, municipalities and cities in NM.

The Memorial proposes that the study be housed at the Public Regulation Commission (PRC) due to the PRC's unique expertise on issues like transmission, distribution, rate-making and more. The legislative sponsors will choose the consultants and will seek private funding to pay for the study.