## HOUSE BILL 521

# 54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

## INTRODUCED BY

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## AN ACT

RELATING TO PUBLIC UTILITIES; REQUIRING A PUBLIC UTILITY TO SUBMIT AN APPLICATION TO THE PUBLIC REGULATION COMMISSION TO EXPAND THE USE OF ELECTRICITY TO POWER VEHICLES AND OTHER EQUIPMENT THAT TRANSPORT GOODS OR PEOPLE; PROVIDING THAT A PERSON WHO ENGAGES IN THE RETAIL DISTRIBUTION OF ELECTRICITY FOR VEHICULAR FUEL IS NOT A PUBLIC UTILITY.

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

**SECTION 1.** A new section of the Public Utility Act is enacted to read:

"[NEW MATERIAL] APPLICATIONS TO EXPAND TRANSPORTATION ELECTRIFICATION.--

A. No later than January 1, 2021, and thereafter upon request by the commission, but no more frequently than every two years, a public utility shall file with the

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commission an application to expand transportation electrification. Applications may include investments or incentives to facilitate the deployment of charging infrastructure and associated electrical equipment that support transportation electrification, including electrification of public transit and publicly owned vehicle fleets, rate designs or programs that encourage charging that supports the operation of the electric grid and customer education and outreach programs that increase awareness of such programs and of the benefits of transportation electrification.

- B. When considering applications for approval, the commission shall consider whether the investments, incentives, programs and expenditures are:
- (1) reasonably expected to improve the public utility's electrical system efficiency, the integration of variable resources, operational flexibility and system utilization during off-peak hours;
- (2) reasonably expected to increase access to the use of electricity as a transportation fuel, with consideration given for increasing such access to low-income users and users in underserved communities;
- (3) designed to contribute to the reduction of air pollution and greenhouse gases;
- (4) reasonably expected to support increased consumer choices in electric vehicle charging and related .210872.5GLG

infrastructure and services; allow for private capital investments and skilled jobs in related services; and provide customer information and education;

- (5) reasonable and prudent, as determined by the commission; and
- (6) transparent, incorporating public reporting requirements to inform program design and commission policy.
- C. A public utility that undertakes measures to expand transportation electrification pursuant to this section shall have the option of recovering the public utility's reasonable costs for the expansion through a commission-approved tariff rider or base rate or both.
- D. The provisions of this section do not apply to a distribution cooperative organized pursuant to the Rural Electric Cooperative Act.
  - E. As used in this section:
- (1) "low-income" means annual household adjusted gross income, as defined in the Income Tax Act, of equal to or less than two hundred percent of the federal poverty level;
- (2) "transportation electrification" means the use of electricity from external sources to power all or part of passenger vehicles, trucks, buses, trains, boats or other equipment that transport goods or people; and

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"underserved community" means an area in (3) this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income."

Section 62-3-4 NMSA 1978 (being Laws 1967, SECTION 2. Chapter 96, Section 4, as amended) is amended to read:

"62-3-4. LIMITATIONS AND EXCEPTIONS. --

The term "public utility" or "utility", when used in the Public Utility Act, shall not include:

any person not otherwise a public utility (1) who furnishes the service or commodity only to [himself, his] that person or that person's employees or tenants, when such service or commodity is not resold to or used by others, or who engages in the retail distribution of natural gas or electricity for vehicular fuel; or

a corporation engaged in the business of operating a railroad and that does not primarily engage in the business of selling the service or commodity but that only incidentally to its railroad business or occasionally furnishes the service or commodity to another under a separate limited or revocable agreement or sells to a utility or municipality for resale, or that sells the service or commodity to another railroad, the state or federal government or a governmental agency, or that sells or gives for a consideration under revocable agreements or permits quantities of water out of any

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surplus of water supply acquired and held by it primarily for railroad purposes; and such railroad corporation shall not be subject to any of the provisions of the Public Utility Act.

B. The business of any public utility other than of the character defined in Subsection G of Section 62-3-3 NMSA 1978 is not subject to provisions of the Public Utility Act."

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