



FISCAL YEAR 2020 APPROPRIATION REQUEST OVERVIEW LEGISLATIVE FINANCE COMMITTEE

November 15, 2018

NEW MEXICO PUBLIC REGULATION COMMISSIONERS

Chair Sandy Jones | Vice-Chair Cynthia Hall |

Commissioner Valerie Espinoza | Commissioner Patrick H. Lyons | Commissioner Lynda Lovejoy



Project Cases Determined by PRC Commission 2018-2019

Corona Wind Projects by Pattern Energy Group (Case No. 18-00065-UT)

- October 3, 2018, the Commission approved the location of the Corona Wind Projects developed by Pattern Energy Group.
- This project will generate up to 2,200 MW of wind power, using up to 950 turbines w/a nameplate capacity of 2.3 to 3 MW each, and covers an area of over 300,000 acres of private and limited state trust land in Torrance, Hidalgo and Guadalupe counties.
- Utility Dive reported that the Corona project would make New Mexico a wind leader. Last year, New Mexico added 570 MW of wind, a 51% increase over the 1.1 GW of wind capacity it had at the end of 2016. That's a faster growth rate than any other state, [according to the American Wind Energy Association](#).
- Buyers of energy from the Corona Wind Project include Silicon Valley Clean Energy and Monterey Bay Community Power.



Project Cases Determined by PRC Commission 2018-2019

The SunZia Case (No. 18-00049-UT)

- Pattern Energy Group plans to transmit the Corona wind energy over the 515-mile SunZia transmission project which is two 500 kV lines across NM and AZ delivering energy to the Palo Verde Hub, a direct long-lead line into California.
- On September 5, 2018, about a month before Commission approval of the Corona Wind Projects, SunZia's application for location approval was denied without prejudice because the location was not sufficiently defined.
- For example, although SunZia's application referred to a 1,000-ft siting corridor within which the two 200-ft ROWs would be micro-sited, the corridor was not identified on any of the maps it submitted.



Project Cases Determined by PRC Commission 2018-2019

The Sagamore Location Control Case (Case No. 17-00275-UT)

- The Sagamore Wind Project requested Commission approval for a 522 MW wind generation facility located in Roosevelt County with about 20 miles of 345 kV generation tie-line and a ROW width for the generation tie-line of 180 feet.
- The Sagamore Wind Project is to be located in the vicinity of Lesser Prairie Chicken habitat; parties reached and entered into a stipulation which included protections for the Lesser Prairie Chicken and its habitat.
- This project is estimated at \$865 million, generating approximately 400 construction jobs and 30- 40 permanent jobs long term.



Project Cases Determined by PRC Commission 2018-2019

The Universal Service Fund (Case No. 18-00103-UT) and Telecommunications ETC Designations (Case No. 18-00284-UT)

- The Broadband Program was made possible by changes to the statute governing the NMRUSF in the 2017 regular legislative session.
- The Commission awarded to four eligible telecom companies \$5 million in New Mexico Rural Universal Service Fund (NMRUSF) grants; for the build-out of twenty-three (23) broadband projects (Case No. 18-00103-UT).
- The Commission is in the process of evaluating and approving the applications of five telecommunications companies in Case No. 18-00284-UT for the purpose of receiving designation as Eligible Telecommunications Carriers in order to facilitate the disbursement of \$26,232,783.00 in federal Connect America Fund Phase II broadband support awarded by the Federal Communications Commission.



FY 20 Budget Request (Dollars in Thousands)

Operating Budget- The overall budget request is **\$ 86,967.0** includes a pass-through amount of **\$ 70,972.7** this represents an overall operating budget request of **\$ 15,994.3** which is made up of the following:

General Fund (GF) Request is \$ 8,985.4 – Covers partial funding for all authorized FTE's for P611(Policy & Regulation) and P613 (Program Support) of the PRC. GF covers approximately 91% salaries and benefits in Policy & Regulation P611 and approximately 54% in Program Support (ASD) P613 for the FY19 request. 5% vacancy rate applied to all programs.

The distribution of this General Fund request will be provided as follows for all budget categories:

P611- Policy and Regulation-	\$ 7,955.9
P613- Program Support-	\$ 1,029.5
Total	\$ 8,985.4

Federal Funds \$ 750.0 – Federal support for pipeline safety inspections.

Other Transfers, distributed from Special Revenue Program \$ 6,223.9

In Fiscal Year 2018, the PRC expended over \$10.5 Million in Category 200, personal services & employee benefits (PS&EB). PS & EB comprises approximately 81 % of the PRC's operating budget for FY19. * Excluding pass-through of Fire Protection Fund & Fire Protection Grant Fund, & PERA Volunteer Firefighters contribution.

Agency (Rollup) FY20 Request	
Program	Amount
P611 - Policy & Regulation	8,623.8
P612 - Public Safety Operating	5,516.4
P612 Public Safety Non Operating	70,972.7
Total Public Safety	76,489.1
P613 Program Support	1,854.1
Agency Total	86,967.0

FY20 Request vs FY19 OpBud				
Program	FY19 OpBud	FY20 Request	Amt. Increase	% Increase
P611 - Policy & Regulation	7,391.9	8,623.8	1,231.9	16.7%
P612 - Public Safety *				
Excluding pass-through	5,165.1	5,516.4	351.3	6.8%
P613 - Program Support	1,727.2	1,854.1	126.9	7.3%
Total	14,284.2	15,994.3	1,710.1	12.0%



FY20 Budget Request Increases Highlights by Program

Staffing @ 11/09/18

Program	Authorized FTE	# of Vacancies	Positions Filled	% Vacancy
P611 Policy & Regulation	79	13	66	16.5%
P612 Public Safety	53	8	45	15.1%
P613 Program Support	22	4	18	18.2%
Total Agency @ 11/09/18	154	25	129	16.2%

Anticipated Staffing After Positions Filled From SPO Postings

Program	Authorized FTE	# of Vacancies	Positions Filled	% Vacancy
P611 Policy & Regulation	79	9	70	11.4%
P612 Public Safety	53	6	47	11.3%
P613 Program Support	22	3	19	13.6%
Total Agency After Filled Positions From SPO Postings	154	18	136	11.7%

P611 (Policy & Regulation):

P611 Total increase \$ 1,231.9 from FY19 OpBud.

200's: \$ 423.0

300's: \$ 481.5

400's: \$ 327.4

200's: 5% vacancy rate applied.

300's: Increase for utility and rate case consultants for pending cases.

400's: Some of the items for increases are \$ 27.3 for out of state meals and lodging, \$ 27.3 out of state mileage and fares, \$ 85.0 employee training and professional development, \$ 35.2 for subscriptions & dues (data subscription) \$ 120.5 for reporting and recording, \$ 11.3 fuel for transportation dept.



FY20 Request Continued

P612 (Public Safety):

P612 Total increase \$ 4,870.8 including * pass-through from FY19 OpBud. * Pass-through includes Fire Protection Fund (FPF) & Fire Protection Grant Fund (FPGF) Distributions. Pass through increase based on projected growth of \$ 4,519.3. Total increase not including pass thru \$ 351.3

200's: \$ 294.7

300's: \$ (18.9)

400's: \$ 4,595.0 Total increase to include \$ 4,519.3 increase for pass-through only (FPF, FPGF). \$ 75.5 operating budget increase.

200's: 5% vacancy rate applied. 3 FTE's additional in request. 2 FTE's in Pipeline Safety Bureau \$ 153.2. 1 FTE in Fire Investigations (aka Arson) \$ 59.5. \$ 212.7 total for 3 FTE's.

400's: increase is in categories of \$ 51.9 for out of state travel, and remainder in employee training and professional development.

P613 (Program Support):

Total increase \$ 126.9 from FY19 OpBud.

200's: \$ 130.9

300's: \$ (9.8)

400's: \$ 5.8

200's: 5% vacancy rate applied.

400's: \$ 5.8 increase includes line items for out of state travel for professional development.



Personal Services & Employee Benefits

Starting in early FY19 and continuing to the present, the PRC is in the process of advertising for critical positions in Policy & Regulation (P611). These positions are highly specialized. Recruitment and hiring is a longer process than other positions.

Special Appropriation Request

PRC has requested ten vehicles in a special appropriation to replace aging fleet will be replaced. 1) 10 years and older with 150K miles or more, and 2) vehicles with 200k miles or more.

FY18 Revenue & Operating Expenditures

FY18 Revenue	Purpose
Firefighter Training Use Fee Fund	86,770 Fees paid by firefighters for the use of the firefighters training academy.
Fire Safer Cigarette Fund	61,000 Revenue and other fess paid under 57-2B-4 NMSA 1978 and money recovered as penalties under 57-2B-6 NMSA 1978.
SFMO Inspections	29,447 Reimbursement for new public schools inspections.
Pipeline Safety Fund	1,033,420 Fees are collected pursuant to Subsection D of 70-3-21 NMSA 1978.
Transportation Network Company Fund	20,355 This fund accounts for fees collected pursuant to the Transportation Network Company Services Act.
PRC Reproduction Fund	20,867 Revenue and related expenses of providing copying services to the public and other state agencies.
WIPP Funds	189,689 Reimbursement from Energy, Minerals, and Natural Resources.
Federal Funds	690,142 Reimbursment from Federal Government.
General Fund	6,666,800 State General Fund.
Fire Protection Fund	90,543,333 The fund distributes the monies collected for the operations of the State Fire Marshals Office and for operations, maintenance, and betterment of local fire districts . Section 59A-53-5-2 NMSA 1978.
Fire Protection Grant Fund	117,192 Money in the fund is appropriated to the Fire Protection Grant Council for the purpose of marking distributions approved by the Council for the critical needs of municipal and county fire districts.
Pipeline Fees Fund	207,045 Collection and payments to the General Fund of monies received by penalties assessed by Pipeline Safety Bureau.
PRC Utility Fees Fund	14,737,637 Collection and payments to the General Fund of monies received as assessments on utility companies per the Utility Act.
Motor Transportation Receipts Fund	3,419,866 Collection and payments to the State Road Fund of monies received from both interstate and intrastate motor carries. Collections are from permits, filing fees, and leases.
Total	117,823,562



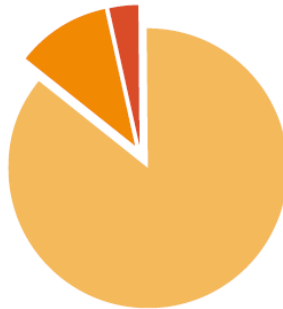
FY18

Total revenue collected for FY18 was \$ 117,823,562 for all funds. Total operating budget expenditures (excluding Fire Protection Fund Distribution – pass-through) by the agency was \$ 12,257,799.

Fire Protection Fund revenue was \$ 90,543,333. PRC distributed \$ 55,792,588 for the annual Fire Protection Fund Distribution. Fire Protection Grant Fund Distribution was not distributed for FY18 per 2017 HB4. FY18 budgeted amount for the Fire Protection Fund (operating budget – non pass-through) was \$ 4,241,000. The remainder of the Fire Protection Fund is reverted to the General Fund (GF). GF reversion amount for the operating budget (non pass-through) including Fire Protection Fund was \$ 75,324.

Expenditures

- \$10,543,797
200–Personal Services and Employee Benefits
- \$1,315,979
300–Personal Services
- \$398,023
400–Other



PRC collects monthly revenue for the PRC Utility Fees Fund, Motor Transportation Fund, and Pipeline Fee Fund. Revenues are transferred monthly to DFA for the Utility Fee Fund and Pipeline Fee Fund, Motor Transportation Fund is transferred to the Department of Transportation. PRC does not collect an administration overhead fee for these funds.

FY18 Revenue - Transfer of Funds		Transferred To
Pipeline Fees	207,045	DFA
PRC Utility Fees	14,737,637	DFA
Motor Transportation Receipts	3,419,866	Department of Transportation
Total	18,364,548	



P R C



THANK YOU