



NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY

200 West De Vargas Street, Suite 4
Santa Fe, NM 87501
(505) 983-4458

To: Members of the New Mexico Finance Authority Oversight Committee
From: Jeremy Turner, Executive Director
Date: July 16, 2010
Re: Government Restructuring Task Force Request

As you are aware, the Government Restructuring Task Force was created to help address the state's financial crisis (House Bill 237, passed by the New Mexico Legislature and signed by Governor Richardson; Laws 2010, Chapter 101). To aid the work of the task force, the New Mexico Legislative Council has directed all interim committees to examine the areas within their committee's purview for ways to increase efficiency and save money. Specifically, each committee has been asked to review all departments, agencies, boards and commissions within its area of expertise. To comply with that request, we are asking you for information to pass on to the task force. As you proceed with this request, please keep in mind the importance of the task before the task force. The current fiscal situation is extremely trying. The task force has been given a short time to provide concrete recommendations on addressing the financial crisis without detrimentally affecting the essential services of the state. Accordingly, please provide us with ideas that do not involve cutting essential services. Be creative. Be innovative. Although cutting services might save money, there should be better ways to make our state government more efficient and effective and, consequently, make the state more fiscally responsible. Please address the following:

- 1) What was the total amount of the agency's appropriation reduction from fiscal 2010 for fiscal year 2011? RETA received appropriations in 2007, 2008 & 2009, but did not request additional appropriations in 2010. RETA has submitted its two year budget to the LFC which does not anticipate an additional request for funds in 2011. RETA is currently working on the issuance of its first bonds, and if successful, would not anticipate requesting additional funds until 2012. RETA's goal is to fund operations from project fees and not require future general fund appropriations. How is the reduction budgeted in each program of the agency, by expenditure category? General operations of RETA won't be affected. How will the deduction affect program delivery to clients? General operations of RETA won't be affected.

- 2) What options have been explored or are under consideration by your agency to become more efficient and cost-effective in the face of a continuing decline in revenue? RETA has looked at many options to promote efficiency and cost savings. Some of these efforts include: reconsideration of the level of participation RETA takes financially in ongoing regional projects, limiting employee travel, conducting board meetings only when there is a full agenda, and reviewing the level of consultant services. RETA has also actively been pursuing Federal Grants. Please report all possible options, including programmatic, fiscal, and contractual modifications. For example:
- a. What technological changes could be instituted to make the agency more effective and efficient? We are in the process of changing our phone system to a more economical system .
 - b. Can changes be made to the agency's procurement/contracting services to save money? RETA continues to review its consultant services to identify savings. In addition, most RETA consultants do not receive compensation until a bond transaction has closed.
 - c. Is a program outdated, and can a major, or minor, overhaul of that program create a more efficient and effective state government? RETA currently only has program.
 - d. Is the program better suited to another governmental level (e.g., municipalities, counties, school districts) or is it a program that should not be provided by the public sector? Because of the complexity and long term nature of these projects, New Mexico needs an agency whose main focus is on renewable energy. New Mexico has some of the best wind, geothermal and solar resources that exist within the U.S. With a thoughtful, measured and expedient approach to the development of its renewable resources, as well as efficiency measures, New Mexico can develop a major renewable energy industry thereby protecting the environment, reducing green house gas emissions, and furthering the nation's goals towards a sustainable and clean energy resource.
 - e. Is there a new revenue source that should be examined for a program? RETA continues to operate from prior general fund appropriations and expects to collect revenues to cover future operations from successful bond transactions.
- 3) When listing options, please include a brief discussion of the following:
- a. Does the option require legislative action to enact, amend or repeal a statute?
 - b. Does the option result in an increase or decrease in FTE's?
 - c. What are the fiscal implications, including both costs and potential savings? Are the costs or savings recurring?
 - d. How would the option be implemented? What are the obstacles to implementing this option?
 - e. Has this option been tried before? If so, what was the result?