

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 3/07/07

SPONSOR Taylor LAST UPDATED _____ HB _____

SHORT TITLE Low-Income Heat, Light & Cooling Programs SM 70

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Memorial 70 requests the Public Regulation Commission (PRC) to study the possibility of creating programs that ensure affordable service and rates available to low-income customers of residential heat, light and cooling services, and may include appropriately designed discount rates or tiered discounts.

The memorial urges the PRC to review programs in other states that adjust utility rates for low-income residents, and requests that the PRC study the use of ratepayer-funded dollars for usage reduction and energy assistance programs for low-income residential customers.

FISCAL IMPLICATIONS

PRC estimates a fiscal impact of about \$30 thousand to complete the study. See administrative implications for more detail.

SIGNIFICANT ISSUES

According to PRC, in connection with the energy efficiency proposals filed by utilities, the Commission is already considering programs that would benefit low-income customers. This Memorial addresses one of the alternatives that will be considered by the Commission in its upcoming workshop process to address the problem of high utility bills for low-income customers. The review of programs from other states would be beneficial, but may require employment of additional resources by the PRC.

ADMINISTRATIVE IMPLICATIONS

PRC estimates that this review and study may take time and effort for existing staff to complete in a timely manner. PRC may have to acquire additional short-term staff or establish a professional service contract for these services. In addition, PRC notes that its staff may not have the data or the specialized knowledge to identify the population of low-income customers contemplated by this memorial. Outside consultants may already have researched programs in other states, and could be seen as also providing objectivity.

BE/mt