

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

Original X **Amendment** X
Correction **Substitute**

Date 2/17/2026
Bill No: HB 303

Sponsor: Rep. Lara
 Rep. Sanchez
 Rep. De La Cruz
Short Utility Certificate of Public
 Convenience

Agency Name and Code EMNRD 521
Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

Synopsis: HB 303 would amend existing statute to remove the requirement for a utility to acquire a certificate of public convenience and necessity (CCN) from the Public Regulation Commission (PRC) prior to beginning *construction* on a public utility plant or system. Instead, a CCN would be required in order to provide utility *service* to New Mexico customers from any public utility plant or system or any extension of any plant or system.

The proposed bill declares that it addresses an emergency and would become effective immediately.

House Floor Amendment:

House Floor Amendment 1 strikes all HCEDC committee amendments and restores the original statutory requirement that a public utility must obtain a certificate of public convenience and necessity (CCN) from the Public Regulation Commission (PRC) before beginning construction or operation of a public utility plant or system.

The amendment then adds a new, temporary exception allowing a public utility to begin construction prior to obtaining a CCN only until July 4, 2026, and only for the purpose of qualifying for federal tax incentives that will benefit ratepayers. The amendment specifies that this exception does not relieve the utility of the burden to demonstrate that the plant is cost-effective among feasible alternatives.

FISCAL IMPLICATIONS

None for EMNRD.

SIGNIFICANT ISSUES

The intent of the bill is to enable utilities to build new generating assets and provide services immediately after construction which could enable immediate eligibility of tax credits whose savings will be passed onto ratepayers. A type of permit issued by a regulatory body, CCNs have been a major feature of most regulatory frameworks applicable to public service industries, including utilities, for over a century. These permits authorize the construction, operation or expansion of essential public services. They play a key role in protecting captive customers by ensuring that any construction, operation or expansion is in the public interest and that the proposed facility is both needed and sufficient to serve load. Eliminating the requirement to obtain a CCN prior to construction may speed up some projects which could benefit economic development. A utility would be able to begin construction of a facility without first completing this initial level of PRC review. The PRC would retain review authority in any rate case where the utility sought to recover the costs of the facility from ratepayers. Allowing utilities to proceed with construction prior to obtaining a CCN will allow the utility (but not necessarily ratepayers) to assume some extra risk in exchange for the opportunity to capitalize on expiring federal tax credits for clean energy projects.

House Floor Amendment:

The amendment shifts the bill from a permanent change that would allow utilities to begin construction while applying for their CCNs, to a temporary window where they may do so. If the

intention is *only* to allow utilities to capture expiring federal clean energy tax credits in the next few months, the amended bill still allows that in a much narrower way.

PERFORMANCE IMPLICATIONS

None for EMNRD.

ADMINISTRATIVE IMPLICATIONS

None for EMNRD.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the existing statutory requirement will remain in place, meaning public utilities must continue to obtain a certificate of public convenience and necessity (CCN) from the Public Regulation Commission (PRC) before beginning construction or operation of a public utility plant or system. Utilities would not be permitted to initiate construction prior to receiving a CCN, including for the purpose of qualifying early for federal tax incentives. As a result, utilities may experience longer development timelines for new generating facilities, and some projects may not be able to capture federal tax credits tied to construction or in-service dates.

AMENDMENTS