

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

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

Date 2/5/2026
Bill No: HB 329

Sponsor: Rep. Dixon
Short Energy Affordability & Grid Reliability

Agency Name and Code EMNRD 521
Number: _____
Person Writing Ben Bajema
Phone: 505-394-2581 **Email** Benjamin.bajema@emnrd.nm.gov

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 329 establishes the Energy Affordability & Grid Reliability Council to address critical challenges in maintaining affordable energy rates while ensuring grid modernization, reliability, and resilience across New Mexico.

The council would be administratively attached to and staffed by the Public Regulation Commission (PRC). Council members would have a range of expertise such as consumer or ratepayer advocacy, utility operations and economic and workforce development. Representatives from EMNRD and each investor-owned utility will also be appointed.

HB329 appropriates \$2 million to fund Council operations; any unspent funds will revert to the general fund at the end of fiscal year 2027.

FISCAL IMPLICATIONS

None for EMNRD

SIGNIFICANT ISSUES

Reflecting broader national trends, New Mexico electricity costs are, while among the lowest in the nation, nonetheless on the rise. In the third quarter of 2025, the average residential consumer at New Mexico's largest investor-owned utilities paid 30-35% more per kWh than they did in 2015. This trend is expected to continue as utilities invest in new infrastructure to meet growing demand from industrial, building, and transportation electrification and upgrade the distribution system, all while decarbonizing the grid to comply with New Mexico's RPS.

Electricity inflation will exacerbate cost-of-living issues for New Mexicans, most acutely for the state's low-income population. Roughly ~30% of New Mexican households earn between 0-60% of the statewide area median income (AMI) and, on average, these low-income households spend more than 6% of their annual income on energy costs¹ meaning they are already "energy burdened".

PERFORMANCE IMPLICATIONS

None for EMNRD

ADMINISTRATIVE IMPLICATIONS

None for EMNRD

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

¹ U.S. Census Bureau 2022 American Community Survey.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The PRC will not create the Energy Affordability and Grid Reliability Council.

AMENDMENTS