



LFC Requester: Rodriguez

**PUBLIC EDUCATION DEPARTMENT  
BILL ANALYSIS  
2026 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

Original ☐ Amendment ☐  
Correction ☐ Substitute ☐

Date Prepared: January 21 2026

Bill No: HM6

Committee Referrals: HPREF

Agency Name and Code: PED - 924

Sponsor: Roybal Caballero

PED Lead Analyst: Paige Percy

PRIVATE EQUITY  
Short INFRASTRUCTURE  
Title: OWNERSHIP

Phone: (505) 231-6615 Email: paige.percy@ped.nm.gov

PED Policy Senior Manager: denise terrazas

Phone: (505) 470-5303 Email: denise.terrazas@ped.nm.gov

**SECTION II: FISCAL IMPACT**

(Parenthesis ( ) Indicate Expenditure Decreases)

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
None	None	N/A	NFA

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		
None	None	None	N/A	NFA

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act:  
None as of 1/22/2026.

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: House Memorial 6 (HM6) requests the Legislative Finance Committee (LFC) conduct a study on the impacts of private equity and investor ownership of essential utilities on various stakeholders in New Mexico. The memorial requests that the LFC make policy, statutory, and regulatory recommendations on the appropriate role of public and private investment in utility and infrastructure provision and management.

The LFC would convene experts from the following agencies for the study: the New Mexico Finance Authority (NMFA), the Public Regulation Commission (PRC), the Attorney General (AG), the State Investment Council (SIC), the Economic Development Department (EDD), the Workforce Solutions Department (WSD), the Public Education Department (PED), and the Health Care Authority (HCA). HM6 requests the study be completed by December 1, 2026, and presented to the NMFA, SIC, and legislature.

### **FISCAL IMPLICATIONS**

This memorial does not contain an appropriation.

### **SIGNIFICANT ISSUES**

Utility rates for consumers have been steadily rising across the United States in recent years. The U.S. Energy Information Administration (EIA) reports that [retail electricity rates have risen faster than inflation since 2022](#), with the Bureau of Labor Statistics recording a [35 percent increase](#) over the past five years. The EIA projects a [4.2 percent increase](#) in residential retail electricity prices in 2026, with accelerated price growth in certain regions [driven by demand from large computing centers](#). Similarly, water and sewer bills rose by [4.6 percent between 2023 and 2024](#), driven by mounting operational costs, inflation, and necessary capital investments.

The affordability, reliability, and accessibility of utilities remain a pressing concern in New Mexico as water scarcity rises and resource-intensive computing facilities proliferate. Recent acquisition agreements will likely interact with these concerns. In May 2025, the private equity firm Blackstone entered an agreement to acquire TXNM Energy, the parent company of the Public Service Company of New Mexico. Similarly, a private company, Emera, has entered an agreement to purchase New Mexico Gas Company. Both agreements remain subject to regulatory approval.

HM6 requests that LFC study a variety of topics related to the private acquisition of utility services. Items include, but are not limited to, the following:

1. Outcome differences between various utility ownership structures as evidenced in other states
2. The impacts of private acquisition on maintenance spending, infrastructure investment, outage frequency, wildfire and safety incidents, and reliability
3. A risk analysis of exits, bankruptcy, and asset stripping scenarios under private ownership of utility services and infrastructure
4. Impacts on service access in tribal, rural, and low-income communities
5. Ownership transparency, regulatory oversight, and capital structures used in asset

acquisitions

6. The impacts of ownership and capital structure on customer utility rates and the utility services workforce
7. Development of criteria to distinguish acceptable forms of private investment from ownership structures that pose unacceptable risk to public interest
8. Distinctions between minority or non-controlling investments and transactions that result in effective control, including through voting rights, governance provisions, debt covenants or management agreements
9. The impacts of large-scale data centers on electric and water consumption, customer pricing, utility reliability and transmission, and infrastructure requirements

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

PED is named as a member of the working group requested by HM6 and would participate in the study. Most topics to be addressed in the study are not related to public education; PED's advisory role will likely be limited.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

## **AMENDMENTS**

None.