



Legislative Finance Committee

November 15, 2022

Representative Patricia Lundstrom, Chair
Senator George K. Muñoz, Vice-Chair





NMPRC

Commissioners

District 1 – Cynthia B. Hall, Chair

District 2 – Jefferson L. Byrd

District 3 – Joseph M. Maestas, Vice-Chair

District 4 – Theresa Becenti-Aguilar

District 5 – Stephen Fischmann

The New Mexico Public Regulation Commission (PRC) regulates utilities, telecommunications, and motor carrier industries to ensure fair and reasonable rates, and to assure reasonable and adequate services to the public as provided by law.

This mandate will continue to become more challenging as the regulatory environment in New Mexico and globally becomes more complex.

Ensuring that the PRC has sufficient technical expertise and resources to implement forward thinking energy legislation passed in New Mexico is a wise investment in the state's future.

In January 2023, a new three member Commission will take office with Commissioners appointed by the Governor, with the consent of the Senate, instead of elected.



The Role of NMPRC

The Commission was created under Art. XI § 1 of the New Mexico Constitution and pursuant to the New Mexico Public Regulation Commission Act, NMSA 1978. §§ 8-8-1 through 8-8-21, as amended.

FY24 Appropriation Request

Supporting an Increasingly Complex Mission
and New PRC Commissioners

FY24 Appropriation Request

(Dollars in thousands)

Description	FY23 OpBud	FY24 Request	Difference FY23 OpBud/ FY24 Request	% Increase/ Decrease Over FY23 OpBud
REVENUE:				
General Fund	\$11,100.0	\$12,208.3	\$1,108.3	10.0%
Other Transfers	\$0.0	\$0.0	\$0.0	0.0%
Federal Revenue	\$949.8	\$949.8	\$0.0	0.0%
Other Revenue	\$1,773.3	\$1,279.1	(\$494.2)	-27.9%
Total Revenue	\$13,823.1	\$14,437.2	\$614.1	4.4%
EXPENDITURES:				
200 Personal Services & Employee Benefits	\$11,449.6	\$12,194.2	\$744.6	6.5%
300 Contractual Services	\$837.5	\$707.0	(\$130.5)	-15.6%
400 Other Expenses	\$1,536.0	\$1,536.0	\$0.0	0.0%
Total Expenditures	\$13,823.1	\$14,437.2	\$614.1	4.4%
FTE	120.0	116.0		-3.3%

- Category 200:**
- 5.1% Applied Budgeted Vacancy Rate
 - New Commissioner Salaries Factored at \$190,000 annually

- Category 300:**
- To support advisory and consultation services for Utility
 - To fully cover the cost of the contract for administering the NM Community Solar Program

- Category 400:**
- Support operations of the agency
 - \$223.0 for DoIT and GSD Services and Fees



FY24 Request – General Fund

The FY24 budget request includes a General Fund increase of \$1,108,300, or 10 percent. The General Fund increase incorporates a swap of \$494,200 in Other Revenue from the Pipeline Safety Fund.

- To align the amount budgeted from the Pipeline Safety Fund with the revenues collected annually.
 - In FY23, \$1.3 million was collected in fees.
- To comply with the statutory purpose of the Fund.
 - To enhance the staffing and training of the Pipeline Safety Bureau for the inspection function of interstate and intrastate pipelines.

Special and BAR Language Requests

Special Request

- Federal Revenue- \$240,000
 - for purchase of vehicles for the pipeline safety division

FY24 BAR Language Request

- the public regulation commission may request budget increases up to two hundred eighty-three thousand four hundred dollars (\$283,400) from other state funds collected under the Community Solar Act for the administration of the New Mexico community solar program



CONCLUSION

- A 2017 report commissioned by the Legislative Council Service found that, “While adequate resources do not guarantee good regulation, in their absence good regulation becomes improbable.”
- The PRC’s FY22 and FY23 appropriations from the Legislature began to address the shortcomings and challenges noted in the 2017 report by providing resources to allow the current Commission to complete its work and the new Commission to begin its work on a sound administrative, staffing and budget foundation.
- Long standing staffing issues are being strategically addressed, particularly in the Office of General Counsel and Utility Division, as well as through the creation of Technical Advisors for the Commission in the areas of engineering, economics and accounting.
- The PRC can and should be a model regulatory agency that protects consumers while engaging in smart regulation that supports economic development and New Mexico’s clean energy future. The PRC’s FY24 requests builds on the investment made by the Legislature in FY23.