



# Water and Natural Resources Committee

October 22, 2021

Senator Elizabeth “Liz” Stefanics, Chair  
Representative Derrick Lente, Vice-Chair





# NMPRC

## Commissioners

District 1 – Cynthia B. Hall

District 2 – Jefferson L. Byrd

District 3 – Joseph M. Maestas, Vice-Chair

District 4 – Theresa Becenti-Aguilar

District 5 – Stephen Fischmann, Chair

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.



## 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.

# Current Initiatives and Energy Transition Challenges

## Rulemakings

- Community solar
- Interconnection
- Decoupling
- Grid modernization
- Transportation electrification

## Technology Challenges

- Smart meters
- Smart inverters
- Emerging demand response systems
- Distributed generation/storage
- Smart grids



# FY22 Operating Budget

## Challenges and Needs

The image is a vertical collage on the left side of the slide. The top portion shows a close-up of blue solar panels with a white wind turbine in the background against a clear blue sky. The bottom portion shows a large satellite dish antenna in silhouette against a sunset or sunrise sky with orange and yellow hues.

# FY22 Operating Budget Shortfalls

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The FY22 operating budget is \$11.9 million.

- To fill all positions at the PRC would cost \$11.7 million
- Personal Services and Employee Benefits has a budget shortfall of \$125,000 to cover existing employees
- Unable to move forward with filling critical positions including some technical advisors to the Commission
- As of the 1<sup>st</sup> quarter of FY22, there is only \$35,624 available for the rest of the fiscal year in contractual services
- Additional expenditures have been incurred with the relocating to the Bokum building (parking, disposals, storage units, etc.)

# FY23 Appropriation Request

Supporting an Increasingly Complex Mission  
and Preparing for the Future

# FY22 Appropriation Request

(Dollars in thousands)

Description	FY22 OpBud	FY22 OpBud Without Other Revenue	FY23 Request	Difference FY22 OpBud/ FY23 Request	% Increase/ Decrease Over FY22 OpBud
<b>REVENUE:</b>					
General Fund	\$9,560.8	\$9,560.8	\$10,979.4	\$1,418.6	14.8%
Other Transfers	\$1,663.6	\$1,663.6	\$0.0	-\$1,663.6	-100.0%
Federal Revenue	\$755.0	\$755.0	\$899.6	\$144.6	19.2%
Other Revenue	\$1,663.6	\$0.0	\$1,629.0	\$1,629.0	
Total Revenue	\$13,643.0	\$11,979.4	\$13,508.0	\$1,528.6	12.8%
<b>EXPENDITURES:</b>					
200 Personal Services & Employee Benefits	\$10,348.7	\$10,348.7	\$11,279.3	\$930.6	9.0%
300 Contractual Services	\$465.4	\$465.4	\$712.4	\$247.0	53.1%
400 Other Expenses	\$1,165.3	\$1,165.3	\$1,516.3	\$351.0	30.1%
500 Other Financing Uses	\$1,663.6	\$0.0	\$0.0	\$0.0	
Total Expenditures	\$13,643.0	\$11,979.4	\$13,508.0	\$1,528.6	12.8%
FTE	119.0	119.9	119.0		0.0%

- Category 200:**
- 3.6% Applied Budgeted Vacancy Rate
  - Legal staff moving from Policy and Regulation to Program Support within the Office of the Chief of Staff

- Category 300:**
- To support advisory and consultation services on utilities and renewable energy issue

- Category 400:**
- Support operations at the Bokum building
  - \$264.9 for DoIT and GSD Services and Fees



# Supplemental, Special and BAR Language Requests

## Supplemental Request

- General Fund - \$400,000
  - For shortfalls in the current FY22 primarily in the Personal Services and Employee Benefits category.

## Special Request

- General Fund - \$260,000
  - For upgrades to the Bokum building to provide shared office space for teleworking staff, as well as security needs.

## Additional FY22 BAR Language Request

- Allow the PRC to request program transfers between programs up to \$250,000 to address other needs in FY22.

## FY23 BAR Language Request

- Allow the PRC to request program transfers up to \$250,000 between programs to avoid future shortfalls and provide budget flexibility.

# Community Solar Act

The Community Solar Act was signed into law in April 2021, by Governor Michelle Lujan Grisham and has the potential to provide significant benefit to individuals, businesses, nonprofits and other groups, who would not otherwise have access to energy from solar installations.

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## HB 2 Section 4 – FY23 Special Request

- The Public Regulation Commission may retain up to five hundred thousand dollars (\$500,000) of the fees collected under the Community Solar Act for personnel and other expenses of the commission required to implement and oversee the requirements of the Act.

