

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to billanalysis@dfa.nm.gov*****(Analysis must be uploaded as a PDF)*****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** February 28, 2025 *Check all that apply:***Bill Number:** HB 93 (s) (a) Original ☐ Correction ☐
Amendment ☒ Substitute ☐**Sponsor:** Rep. Kristina Ortez
Short Title: Advanced Grid Technology Plans**Agency Name and Code Number:** 430 – Public Regulation Commission
Person Writing: Scott Cameron
Phone: (505)490-2696 **Email:** jerri.mares@prc.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	\$55.4	\$58.7	\$114.1	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Original Synopsis:

In Section 1 of the Bill, a new section is proposed to be added to Chapter 62, Article 9 NMSA to establish a framework for public utilities to develop new Advanced Grid Technology Plans. The Bill would require utilities to file Advanced Grid Technology Plans along with and at the same time (or earlier, if they desire) as currently required Integrated Resource Plans (“IRPs”). As established in Commission rules, IRPs are currently on a 3-year rotation, with PNM having filed their first in 2023, SPS having filed their first in 2024, and EPE’s being due in 2025. The Section further details requirements of the Advanced Grid Technology Plans, requires them to be filed in accordance with and pursuant to statutes that govern Certificates of Public Convenience (“CCNs”) and Commission location control approval, provides standards for the Commission to follow when considering approval of Advanced Grid Technology Plans, allows for utility cost recovery mechanisms and sets deadlines for their approval, exempts cost recovery that is under the jurisdiction of the Federal Energy Regulatory Commission, exempts Distributive Cooperative Utilities from the statute, and defines the term “project” as used in Advanced Grid Technology Plans.

Section 2 of the Bill contains definitions associated with the Advanced Grid Technology Plans.

Section 3 of the Bill amends the existing Efficient Use of Energy Act (“EUEA”) by adding several of the definitions from Section 2.

Section 4 of the Bill adds Advanced Grid Technologies to the current Integrated Resource Plans statute.

Section 5 of the Bill adds Advanced Grid Technologies to Distributive Cooperative Utilities annual filing requirements.

Section 6 makes the Bill’s provisions effective as of July 1, 2025.

House Government, Elections and Indian Affairs Committee Substitute

Section 1 of the amendment deletes the addition of a new section for Advanced Grid Technology Plans (“AGTPs”) and instead adds them to the existing grid modernization statute, including cost recovery, plan requirements, and the plan approval process. This section also adds a definition of Advanced Grid Technology Plans that ties them to utilities’ Integrated Resource Plans.

Section 2 of the amendment adds the definitions section to the grid modernization statute.

Section 3 of the amendment makes slight changes to the definitions.

Section 4 of the amendment makes a slight change to how Advanced Grid Technologies are to be considered in Integrated Resource Plans.

Sections 5 and 6 of the amendment are the same as the original.

Commerce & Economic Development Committee Amendment

The amendment deletes the terms “plan” and “plans” and substitutes the words “project” and “projects” in the Bill title and five times in Section 1.

Also in Section 1, the amendment modifies the criteria the Commission would use for approval and changes the definition of Advanced Grid Technology Plans.

In Section 2, the amendment deletes part of the definition of advanced conductor, with the same deletion in Section 3.

FISCAL IMPLICATIONS

Original Analysis

HB 93 would have an additional financial impact on the PRC for the following additional resources: 1/16 of Office of General Counsel attorney (\$9,450), 1/8 Legal attorney (\$18,220), 1/16 public utilities economist (\$7,530), 1/16 Utilities Division engineer (\$8,900), 1/8 hearing examiner (\$11,300). For a total of annual cost to PRC of \$55,400 in FY26 and \$58,700 in FY27.

House Government, Elections and Indian Affairs Committee Substitute

HB 93s would have an additional financial impact on the PRC for the following additional resources: 1/16 of Office of General Counsel attorney (\$9,450), 1/8 Legal attorney (\$18,220), 1/16 public utilities economist (\$7,530), 1/16 Utilities Division engineer (\$8,900), 1/8 hearing examiner (\$11,300). For a total of annual cost to PRC of \$55,400 in FY26 and \$58,700 in FY27.

SIGNIFICANT ISSUES

Original Analysis

In general, having public utilities file another plan increases the risk of “piecemeal ratemaking.” However, tying Advanced Grid Technology Plans to Integrated Resource Plans is problematic in that Integrated Resource Plans are non-adjudicative planning dockets with little, to no, express resource approval, no cost approvals and is subject to change. Advanced Grid Technology Plans necessarily must be adjudicative, potentially contested, require direct and binding approvals, and approve costs and cost recovery.

Requiring utilities to adhere to Certificate of Convenience and Necessity and location control statutes when filing Advanced Grid Technology Plans could introduce significant delay and complexity to filing the plans themselves, and the plan approval process.

House Government, Elections and Indian Affairs Committee Substitute

The concern about piecemeal ratemaking has been addressed in part by adding Advanced Grid Technology Plans to the grid modernization statute. The amendment incorporates Advanced Grid Technology Plans into current ratemaking frameworks rather than creating a new required filing. By changing the way Advanced Grid Technologies are to be considered in Integrated Resource Plans, the above concern about the difference between an Integrated Resource Plan and Advanced Grid Technology Plans when being considered by the Commission has been addressed. By adding Advanced Grid Technology Plans to the grid modernization statute, the concern that they are required to adhere to CCNs and location control statutes has been

addressed.

By adding the definition of Advanced Grid Technology Plans to the Integrated Resource Plans process in Section 1, the amendment may delay the implementation of Advanced Grid Technology Plans, as Integrated Resource Plans are on a triennial filing schedule.

Commerce & Economic Development Committee Amendment

In the new Section 1(H) “contemplated by” may result in Advanced Grid Technology Plans not being included in IRPs until the next cycle of IRP filings over the next several years. The definitional change to the term “advanced conductor” provides clarification.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

Original Analysis

The Bill would likely require the Commission to initiate rulemaking to establish clear guidelines and processes for utilities to follow when drafting and filing Advanced Grid Technology Plans, as well as initiating rulemaking to amend the current Integrated Resource Plans and Efficient Use of Energy Act rules.

With any additional filing requirements imposed on utilities, the PRC must allocate sufficient staffing resources to ensure adequate analysis, review and, if necessary, adjudicatory process. Such additional obligations will require more staffing at the PRC.

House Government, Elections and Indian Affairs Committee Substitute

The Commission would still need to amend existing rules or rules currently in rulemaking to incorporate Advanced Grid Technology Plans into the grid modernization and Integrated Resource Plans frameworks. These rulemakings would likely be less burdensome than a rulemaking to create an entirely new framework for Advanced Grid Technology Plans. Because the existing Grid Modernization filings would now incorporate this additional analysis, it necessarily makes the analysis more complex. Therefore, the Commission would still need to allocate sufficient resources to ensure adequate analysis, review and, if necessary, adjudicatory process of expanded grid modernization applications and Integrated Resource Plans.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

Original Analysis

Advanced Grid Technology Plans complement and enhance grid modernization programs, which also contain cost approval and recovery mechanisms. Therefore, the Advanced Grid Technology

Plans may be a better fit with the grid modernization programs or the Efficient Use of Energy Act plans instead of Integrated Resource Plans, as they have more similar requirements and purposes.

House Government, Elections and Indian Affairs Committee Substitute

The substitute adopts the alternative discussed above by incorporating Advanced Grid Technology Plans into the existing statutory frameworks.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

N/A