



Southwest Energy Efficiency Project

Saving Money and Reducing Pollution through Energy Conservation

For Immediate Release:

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Governor Signs HB 305:

New Mexico Utilities to Accelerate Energy Efficiency Efforts

Santa Fe, NM— Governor Richardson today signed a bill to promote energy efficiency for New Mexico utility customers, thereby saving them money. The bill, HB 305, sponsored by Speaker of the House Ben Lujan, and backed by the Governor, sets an “Energy Efficiency Resource Standard” of 10% by 2020, with an intermediate requirement of 5% by 2014. That is, the state’s three investor-owned utilities will be required to deliver an amount of energy savings in 2014 equal to no less than 5% of their 2005 sales, and in 2020 equal to no less than 10% of their 2005 sales, as a result of energy efficiency programs implemented starting in 2007. Rural distribution cooperatives must develop their own energy savings targets by January 1, 2009. Such energy savings requirements are similar to the Renewable Energy Portfolio Standards that were augmented to 20% by 2020 in 2007 legislation.

The energy savings will be achieved through programs that help consumers and businesses increase the efficiency of lighting, cooling, refrigeration, appliances, motors, and more. By law all of these programs must be cost-effective for customers, meaning that they save more money than they cost. The legislation also directs the Public Regulation Commission to provide the appropriate financial incentives for utility efficiency programs that balance ratepayer and shareholder interests.

“Energy efficiency is a financially smart investment, but well-documented barriers have kept customers as well as utilities from making this investment over the years. This legislation addresses some of those barriers and will kick-start significant energy efficiency and savings for New Mexicans,” said Gail Ryba, Executive Director of the Coalition for Clean Affordable Energy.

“This legislation puts New Mexico in a position to aggressively pursue energy efficiency. I estimate this bill will save 1.4 billion kilowatt-hours of electricity per year by 2020, equivalent to the electricity use of 176,000 typical households in the state. I also estimate that consumers and businesses in New Mexico will save \$650 million net as a result of energy efficiency measures installed in response to this bill,” stated Howard Geller, Executive Director of the Southwest Energy Efficiency Project.

Steve Michel, with Western Resource Advocates, pointed out that, “HB 305 provides New Mexico with an alternative to further construction of large power plants and transmission lines by requiring utilities to assist their customers in implementing energy efficiency measures. The bill requires that these utility-provided measures save customers money on their bills.”

Tom Singer, of NRDC, applauded Governor Richardson, saying that “the Governor was a bold leader in bringing stakeholders to the table to find a solution in which customers would save money, and utilities could become active advocates for selling less energy instead of growing unchecked.”

The Coalition for Clean Affordable Energy will work closely with the Public Regulation Commission to ensure that the rules adopted in response to this legislation are fair, lead to maximum implementation of cost-effective energy efficiency measures, and save ratepayers money.

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