

New Mexico Adopts Energy Efficiency Measures

Protecting the Climate and Customers' Wallets

SANTE FE, N.M. (April 9, 2010) – Yesterday the New Mexico Public Regulation Commission (PRC) took the smart step forward toward energy savings and climate solutions by establishing new energy efficiency rules that encourage electric utilities to look toward low-cost energy efficiency programs before building costly and potentially unnecessary power plants in meeting the state's energy demand.

“Cutting energy use first makes great economic sense, and we applaud the Commission for supporting energy efficiency,” said Rebecca Sobel, Executive Director for the Coalition of Clean Affordable Energy. “The smart way to move forward in this economy is to do better with less.”

The Commission's action further implements the state's energy efficiency law, the Efficient Use of Energy Act, enacted by the Legislature and signed by Governor Richardson in 2007, designed to spur more utility investment in energy efficiency programs. By saving energy with energy efficiency, over time utilities avoid large capital expenditures on power plants and transmission lines, protecting public health and bringing new energy savings opportunities to customers. Increased efficiency investment could mean over \$400 million in customer savings and almost 2 million metric tons of avoided CO2 emissions over the next 20 years, according to PNM's most recent long term plan.

“By creating a system that is good for customers' checkbooks and utilities' bottom line, the Commission has fundamentally revamped the state's energy policy,” said Thomas Singer, Senior Policy Analyst with the Natural Resources Defense Council in Santa Fe. “New Mexico is showing the country that energy efficiency can be good for business.”

The new rules provide a financial bonus to utilities for energy savings achieved through their PRC-approved efficiency programs. Such an incentive is needed because under business as usual, utilities can take a financial hit when customers save energy, thereby reducing sales. Without these incentives, investment dollars that go into efficiency programs rather than into large capital projects that earn a return, can result in utilities losing profits. The Commission's new rules align utility incentives with customers' interests in keeping costs down and reducing pollution.

“Using only highly efficient and money saving appliances could reduce our electricity consumption to almost 10 times less than the US average, without any loss of comfort,” continued Sobel. “New Mexico is moving in the right direction, and there are still many more opportunities to invest in money, energy and climate saving solutions.”

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The Coalition for Clean Affordable Energy is a state-wide advocacy organization whose members include:

Center for Advancing Sustainable Architecture, Community Action New Mexico, Environment New Mexico, Natural Resources Defense Council, New Mexico Conference of Churches, New Mexico Public Interest Research Group, Physicians for Social Responsibility, Regional Development Corporation, Rio Grande Chapter of the Sierra Club, Southwest Energy Alliance, Southwest Energy Efficiency Project, Southwest Research and Information Center, Western Resource Advocates