



**NEW MEXICO
BUSINESS COALITION**

P.O. Box 95735
Albuquerque, NM 87199
(505) 235-6323

RE: Oppose HB 452 Clarify Renewable Energy Portfolio Standards

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. We focus on making New Mexico a better place to live and work, with abundant good-paying jobs to provide for our families.

NMBC opposes HB 452 Clarify Renewable Energy Portfolio Standards. This bill represents an unnecessary expansion of government oversight, imposing additional burdens on both public utilities and renewable energy generators. The bill introduces regulations that will lead to higher operational costs, increased government intervention, and unnecessary confusion in an already complex regulatory landscape.

HB 452 expands regulation and imposes additional government control over private renewable energy generation. It disregards the importance of allowing market forces to dictate how energy is used, potentially stifling innovation and increasing the cost of energy for consumers. The bill creates a government-imposed standard for how renewable energy credits (RECs) are handled, contrary to the market-driven principles that should govern renewable energy policies.

Furthermore, this policy shifts the burden of renewable energy goals onto taxpayers and utility customers. It forces utilities to include on-site energy consumption in their calculations for renewable portfolio standards without any clear benefit to the public or utility customers. This creates more regulatory complexity, likely resulting in higher costs for energy consumers and businesses that rely on more predictable and market-driven energy pricing.

The NMAG anticipates increased litigation, which will require an additional attorney in his office, at a cost to taxpayers of \$129,000.

HB 452 is also at odds with current state regulations. The existing statute clearly states that only excess net energy delivered from qualifying facilities to the utility should be deemed purchased by the utility. However, the bill requires including all on-site energy consumption in retail sales calculations, creating confusion and potential legal challenges for public utilities and renewable energy generators. This proposed change undermines the principles of clear, stable, and predictable regulations while offering no substantial benefit to ratepayers.

For the reasons stated, we oppose HB 452 Clarify Renewable Energy Portfolio Standards and urge you to say 'NO' to its passage.

Thank you for considering my comments,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag
President and CEO