NEW MEXICO
BUSINESS COALITION

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Chair and Members of the Committee:

On behalf of the New Mexico Business Coalition, we respectfully oppose SB 39 Microgrid Oversight Act.

New Mexico is actively competing for large-scale economic development projects, including advanced manufacturing, technology facilities, data centers, and energy-intensive operations. Reliable, flexible, and scalable power solutions are often the determining factor in whether these employers choose our state or go elsewhere.

SB 39 adds a new layer of regulatory oversight by the Public Regulation Commission. While oversight may sound reasonable in theory, in practice, it introduces additional uncertainty, delays, and costs into projects that depend on speed and predictability.

The bill requires microgrids to meet increasingly stringent renewable portfolio standards. For companies evaluating multi-hundred-million-dollar investments, these mandates could complicate financing, delay deployment, and discourage projects that need flexible energy sourcing.

Economic development projects often operate on tight timelines. Adding overburdening regulatory approvals may create unnecessary delays. When other states offer streamlined pathways, New Mexico cannot afford to send the message that infrastructure development will be slower, more complex, or more uncertain here.

Beyond regulatory delay, SB 39 creates real job risk. Major economic development projects — including manufacturing facilities, data centers, and advanced energy operations — evaluate power reliability, flexibility, and regulatory certainty before committing capital. If compliance timelines are extended or energy sourcing is constrained, companies will simply locate in states with faster approvals and fewer restrictions. That means not just the loss of construction jobs, but permanent, high-wage positions, secondary supplier contracts, and local tax base growth. In a state that continues to struggle with workforce participation and private-sector job creation, we cannot afford to adopt policies that inadvertently push investment — and the jobs that come with it — across state lines.

At a time when we are working to diversify our economy, we should be removing barriers—not creating new ones.

For these reasons, we respectfully urge a “NO” vote on SB 39.

Sincerely,

Carla J. Sonntag
President & CEO