



**NEW MEXICO  
BUSINESS COALITION**

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RE: Oppose HM 20 Study State-level Public Utility Model

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC respectfully opposes HM 20 Study State-level Public Utility Model. This memorial is requiring the legislature and state agencies to cooperate with the NM Public Regulation Commission (PRC) in conducting a study on the feasibility of state-run utilities. There are glaring issues with this including the fact that this is an unfunded mandate. The bill does not appropriate funds for the study and the PRC does not have the funds to do the study.

Furthermore, proponents for this legislation have stated they would provide a privately funded study. This suggests an inherent bias that can be expected when proponents are raising funds to conduct a study that they alone control. If it is the proponents' desire to undertake a study that is privately funded, why do they need the state legislature or the PRC's involvement? Individuals and entities can undertake whatever study they choose without government agencies being involved.

We understand that New Mexico has municipal utilities in Los Alamos and Farmington, but these were undertaken decades ago and are a very different proposition than the state-level utilities that the proponents are seeking. Current research about municipally operated utilities indicates that there is a high failure rate of municipalization because of the incredible amount of time, expertise, and investment required. In fact, over the past 20 years, only 12 communities in the United States have municipalized and two of those communities relinquished control back to the IOU after doing so. You can read about a decade long pursuit that was recently ended in Boulder, CO here: [Boulder Ends Decade Long Pursuit Of City-Owned Power Utility](#).

NMBC has not found a single state-controlled utility arrangement in the United States. This makes sense; with the shallow interest in municipalization, it stands to reason that state management would be even less engaging and would explain why it is not occurring. It does not make sense for the state of New Mexico to be a pioneer in this type of endeavor.

New Mexico is struggling on several fronts where it is nationally ranked at or near the bottom of most ranking. That is why it makes no sense for the state strive to take over utilities that are essential to every person's life and every business's operation.

In addition, the PRC is statutorily required to regulate utilities, not to find a way to relegate this authority by making utilities government-controlled entities. With the PRC's involvement in the study, it sets them up for a conflict of interest to rule on any related issues that were to come before them. This opens a Pandora's box of problems the PRC and our state does not need.

NMBC opposes any government entities undertaking utility management and especially at the state level. We believe utility management is best handled by experienced industry experts to keep costs down and reliability certain.

On behalf of hard-working New Mexicans and businesses, and for the reasons stated, NMBC opposes HM 20 Study State-level Public Utility Model and urges you to say 'NO' to its passage.

Thank you for your consideration of my comments,

A handwritten signature in blue ink that reads "Carla J. Sonntag". The signature is fluid and cursive, with a long horizontal flourish at the end.

Carla J. Sonntag  
CEO