



For Immediate Release — March 13, 2019

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New Mexico electricity customers poised to receive more efficiency upgrades Energy efficiency bill has passed in both chambers, heads to governor's desk

Electricity customers in New Mexico will more easily be able to buy efficient heating and cooling equipment, upgrade lighting, improve insulation and otherwise cut energy waste, thanks to a bill that cleared its final legislative hurdle today. Gov. Michelle Lujan Grisham, a strong supporter of clean energy, is expected to sign House Bill 291 soon.

The bill raises how much money New Mexico's utility companies will invest in efficiency. Under the new policy, efficiency investment will increase by up to 67 percent. The additional money will go to [programs and services](#) designed to help businesses and residential customers lower their electricity bills by improving their energy efficiency.

The bill is expected to reduce electricity costs for all New Mexico electricity customers, regardless of whether they take advantage of efficiency programs. That's because when customers collectively reduce electricity waste, utility companies don't have to build as many new power plants or buy as much electricity on the open market.

Over the last decade, efficiency programs for the Public Service Company of New Mexico, El Paso Electric and Xcel Energy together reduced electricity demand by 7 percent, saving customers \$400 million.

House Bill 291 also changes how these utility companies make money.

Under current policy, utility companies make money when customers use more electricity. Such a policy, critics say, financially incentivizes utilities to encourage their customers use as much electricity as possible

The new house bill establishes a policy known as decoupling. With decoupling, utility companies are paid based on factors other than electricity use, such as customer retention and service. As a result, customers and utility companies can all be incentivized to reduce electricity waste.

Advocates who support the advancement of energy efficiency have released the following statements:

Rep. Andrea Romero, D-Santa Fe, co-sponsor of House Bill 291: "This bill means cleaner air to breathe, more money for our families, and a stronger economy."

David Gardiner, Executive Director at the Alliance for Industrial Efficiency, a coalition of business, labor, nonprofit and educational institutions that are committed to enhancing manufacturing competitiveness and reducing emissions through industrial energy efficiency: "We strongly support this

legislation to expand New Mexico's energy efficiency programs because they help New Mexico's manufacturers meet their clean energy goals, cut their costs and emissions, and become more competitive. [Our analysis](#) shows industrial efficiency and combined heat and power would save New Mexico businesses more than \$1.4 billion and reduce annual carbon emissions by more than 1 million tons in 2030."

Anne L. Kelly, Vice President of Government Relations at Ceres, a sustainability nonprofit organization working with influential investors and companies: "Major employers in New Mexico and nationwide are making investments in energy efficiency because it makes business sense – it helps cut operating costs and frees up capital that can be reinvested into their operations and employees. Efficiency has proven benefits for New Mexico companies and residents alike, and with this legislation we have only begun to scratch the surface of what it can do."

Jessica Wolff, U.S. Director of Climate and Health at Health Care Without Harm: "Air pollution is the leading environmental threat to human health, and the burning of fossil fuels is the primary source of the pollutants. By investing in energy efficiency, we reduce air pollution, slow climate change, and save money, protecting the health and wealth of New Mexicans."

Tammy Fiebelkorn, New Mexico Representative, Southwest Energy Efficiency Project: "Energy efficiency creates local jobs in hands-on industries like installation and construction. These jobs pay well, cannot be easily outsourced, and they are fulfilling because customers save money. Efficiency in New Mexico has already created more than [5,000 jobs](#), and this bill will create even more."

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