



STATE OF NEW MEXICO
GOVERNOR BILL RICHARDSON



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Contact: Allan Oliver
505-476-2214

Governor Bill Richardson Enacts Energy Efficiency Bill

HB 305 directs electric and gas utilities to acquire all cost-effective and achievable energy efficiency resources

SANTA FE -- Governor Bill Richardson today signed HB 305, strengthening the Efficient Use of Energy Act, sponsored by Speaker Ben Lujan. The bill directs electric and gas utilities to provide cost-effective and achievable energy efficiency resources to its customers.

“This bill is good for the environment and good for New Mexico's energy consumers,” said Governor Bill Richardson. “We will now guarantee that utilities will provide more energy efficiency to New Mexico consumers. In the long-run, this requirement will be less costly than building and operating new power plants.”

Energy efficiency programs that New Mexico's energy utilities could fund and implement under HB 305 include: rebates for energy efficient appliances, compact fluorescent light (CFL) bulb exchanges, and home weatherization assistance.

“This bill is of critical importance to New Mexico's energy consumers,” said Speaker Ben Lujan. “As the price of traditional energy sources continues to skyrocket, energy efficiency is a proven means to keep citizens' utility bills as low as possible.”

Electric utilities must achieve a minimum of five percent energy efficiency savings from 2005 electricity sales by 2014, and 10 percent by 2020. The Public Regulation Commission (PRC) can set alternative energy efficiency requirements if the electric utility demonstrates it cannot meet the minimum requirements.

“I supported this bill because it could lower consumer utility bills and delay the building of expensive power generation plants,” stated Senator John C. Ryan, who sponsored the bill on the Senate Floor.

HB 305 authorizes the PRC to approve energy efficiency programs designed to reduce the burden of energy costs on low-income customers. The bill also declares that it is necessary to provide financial incentives for energy efficiency and load management resources. It maintains and clarifies that PRC-approved energy efficiency programs must be cost effective, and less expensive than pursuing new sources of supply.

“HB 305 just makes sound fiscal sense for New Mexico’s citizens and businesses,” said Joanna Prukop, Cabinet Secretary for New Mexico Energy, Minerals and Natural Resources Department. “Experience around the country demonstrates that energy efficiency can be delivered to customers at less than half the cost of building and operating new power plants.”

HB 305 allows the PRC to require utilities to solicit competitive bids from third party contractors for energy efficiency services; maintains the existing total per customer cost impact cap; strengthens the energy efficiency measurement and verification requirement; and requires a detailed assessment of the utility’s energy efficiency programs every three years by an independent program evaluator.

HB 305 was negotiated and supported by a broad coalition of environmental groups, consumer advocates, electric utilities, and elected officials.

Under Governor Richardson’s leadership, New Mexico has pursued an aggressive agenda to become the Clean Energy State.

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