

Local Choice Energy for New Mexico



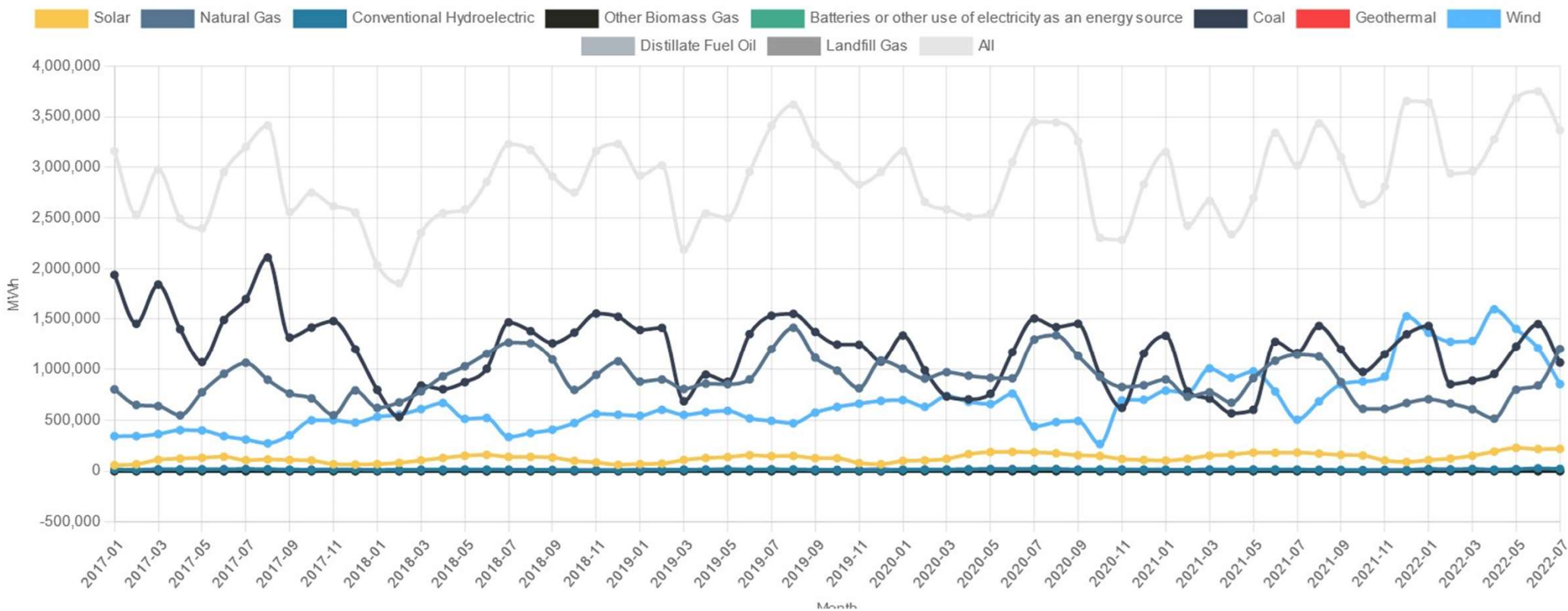
A presentation on how Local Choice Energy can empower our communities to own and generate our own renewable electricity, while investing in local economies and lowering our bills.

New Mexico Electricity Fuel Mix

Production

Consumption

Emissions



Source: [findenergy.com](https://www.findenergy.com)

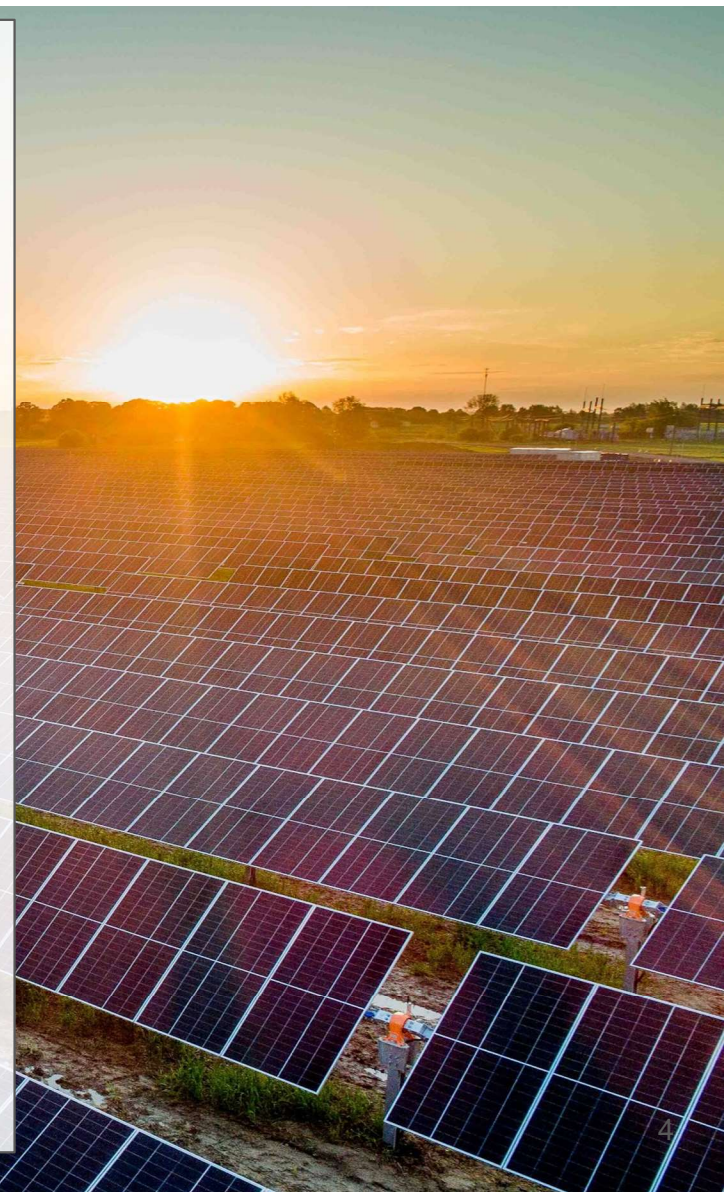
New Mexico is a state with more than 300 days of sunshine. Does it make sense that only 6.4% of all our electricity is generated by the sun?

Together, we can change this story! With community-owned, operated, and generated renewable electricity, we can create a brighter future today and inspire communities around the world.



What does a community-owned electric provider look like?

- Community-owned, not-for-profit electric providers safely provide reliable, low-cost electricity to more than 49 million Americans.
- In contrast to the Investor Owned Utility (IOU) model, in which a private company holds a monopoly over electricity in their service area, community-owned electric providers do not exist for the purpose of shareholder profit, but rather to serve their local communities.
- Most community-owned electric providers are owned by cities and towns, but many are owned by counties, public utility districts, and even states.
- Community-owned electric providers are accelerating the transition to renewable energy



What community-owned electricity look like in New Mexico?

- New Mexico has seven municipally-owned electric providers, as well as three tribal electric providers, and 21 rural electric cooperatives that are member-owned and controlled.
- These community-owned electric providers frequently offer electricity at rates that are lower than rates paid by customers of investor-owned utilities.
- They also create local jobs and revenue streams that are local and empower our communities.



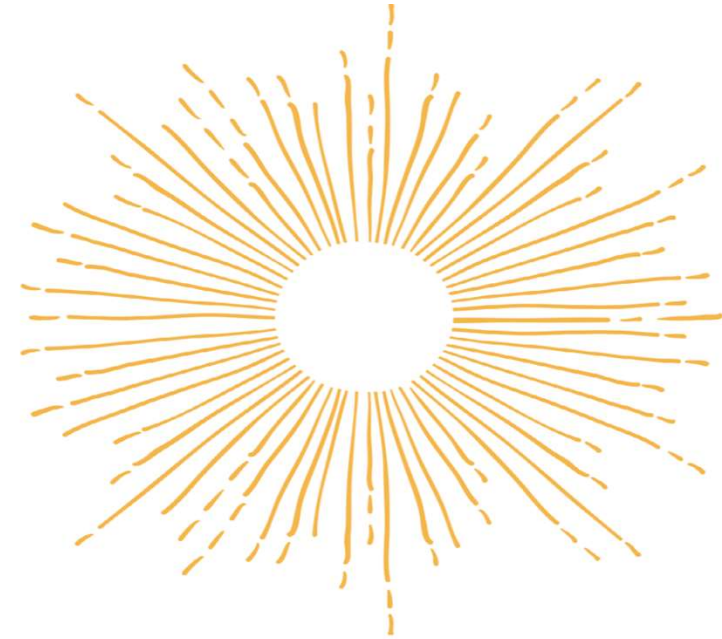
New Mexico Average Monthly Bill Comparisons

Ratepayers of New Mexico municipally-owned electric providers enjoy lower average monthly bills than ratepayers of investor-owned utilities and rural electric cooperatives.

- 25.25% lower residential bills than IOUs
- 13.78% lower commercial bills than IOUs
- 27.27% lower residential bills than co-ops
- 45.87% lower commercial bills than co-ops



Source: U.S. Energy Information Administration reports, data compiled by findenergy.com





What are investor-owned utilities?

- Investor Owned Utilities (IOUs) are private, monopoly corporations that generate and distribute power to you, the electric customer, over their defined service territory.
- IOUs have monopoly control over which energy sources they use to provide consumers with electricity and how it is priced and distributed.
- The IOUs are required to make profits for their investors. Dirty fuels like coal, oil, gas, and nuclear are more profitable, despite how destructive they are, and the IOUs are incentivized to use them for as long as they can.
- The three IOU companies that serve 73% of New Mexico households are Public Service Company of New Mexico (PNM), El Paso Electric (EPE), and Southwestern Public Service Company (SPS) which is owned by Xcel energy



Investor-Owned Utilities Don't Want Community-Owned Renewable Energy

- IOUs are obstructing the transition to 100% renewables, which are cheaper, more efficient, resilient, and necessary to address climate challenge, because they make more money for their shareholders with dirty fuels.
- In 2021 PNM had just 10% solar in its energy portfolio. SPS had only 2% solar. EPE only had 5% renewable energy in 2020. These IOUs charge more than community-owned utilities, and they extracted more than \$280M in profits from New Mexico in 2021.
- Community-owned electricity providers will provide energy for less, invest their revenues in their community, and can provide any type of electricity that the communities they serve want, including 100% renewable energy.

. With Local Choice Energy, we can empower our communities to be able to make better choices. We can create our renewable energy future, right here, right now, powered by our communities and the sun.



What is Local Choice Energy?

- Local Choice Energy (LCE) legislation is a small but meaningful legislative change that would let local governments and tribes generate or purchase renewable electricity and sell it to us at lower prices.
- Electricity would be transmitted in partnership with investor-owned utility companies (IOUs) on their grid, for the same fees and terms they charge existing customers.
- People living in the service area of a Local Choice Energy Provider would be able to choose to keep their existing service or change it.



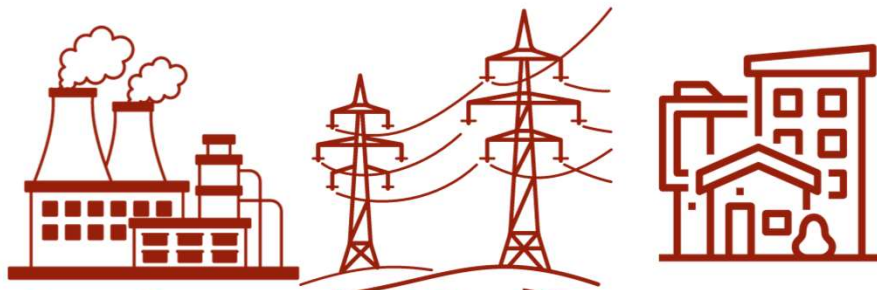
What is Local Choice Energy?

- Instead of sending profits to Wall Street, Local Choice Energy invests in the resiliency of our communities, providing reliable, cheaper electricity, while creating local jobs and improving local economies.
- When Local Choice Energy becomes the law of the land, communities that want to create Local Choice Energy programs will be able to do so by passing municipal or county ordinances, or in the case of tribal government, through the tribal government process in place.



Local Choice Energy gives communities a choice in how their electricity is generated and priced.

How Our Existing System Works



**Power Source:
Investor-Owned
Utility**

Investor-owned utility power plant generates energy

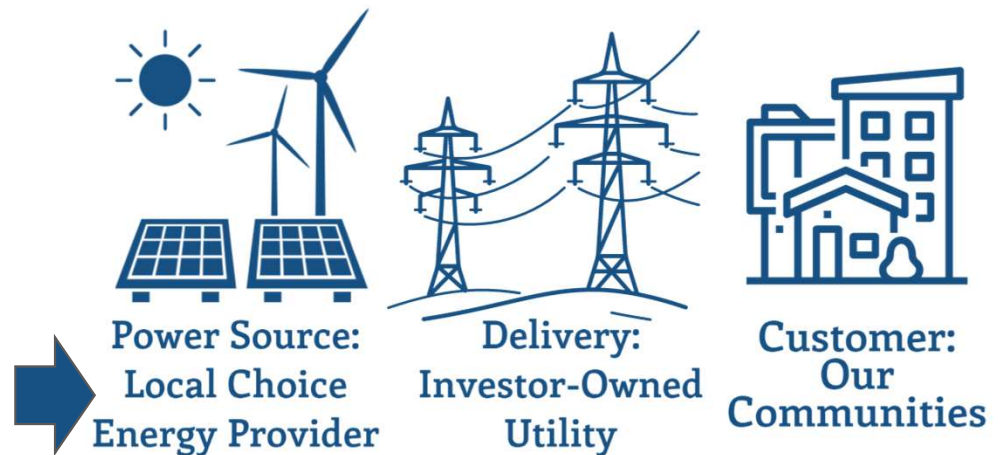
**Delivery:
Investor-Owned
Utility**

Investor-owned utility delivers energy for a fee

Customers

Electricity is transmitted to communities, while the profits are exported to Wall Street

How Local Choice Energy Works



**Power Source:
Local Choice
Energy Provider**

Our communities have a choice in buying and generating energy locally and from renewable sources

**Delivery:
Investor-Owned
Utility**

Investor-owned utility delivers energy for a fee

**Customer:
Our
Communities**

Our communities benefit from affordable rates, local control and cleaner energy

Why is Local Choice Energy good for New Mexico?

- LCE (also sometimes called Community Choice Aggregation or CCA) is a proven approach that serves millions of people in more than 1300 communities in 10 states.
- Communities served by community-owned electricity providers enjoy good local jobs, lower prices, more money for local government for community needs, community control, lower prices, local economic development, more resiliency, and an accelerated transition to renewable energy.
- Ratepayers served by community-owned electric utilities enjoy 15-20% lower rates nationally. In New Mexico, the average monthly residential bills of municipally-owned utilities are 25% less than investor-owned utilities like PNM, EPE, and SPS according to reports from the US Energy Information Administration.



Why is Local Choice Energy good for New Mexico?

- Community-owned electricity providers are accelerating the transition to renewable energy. All communities in the U.S. that have achieved 100% renewable power are served by community-owned electricity providers.
- LCE is local economic development, investing profits in local communities, creating jobs, and attracting businesses seeking renewable electricity at lower prices.



Why is Local Choice Energy good for New Mexico?

- Passing LCE will make it easier for New Mexican communities to take advantage of once-in-a-lifetime funding forthcoming from the Inflation Reduction Act, the Infrastructure Act, and the CHIPS and Science Act. These funds can be used to create the infrastructure needed for community-owned utilities and microgrids that will ensure the resiliency of our communities for decades to come.
- LCE allows us to have local control of our electric generation and not be subject to out-of-state, out-of-country monopoly utility companies that provide us with the most expensive energy and take their profits out of New Mexico.



How is Local Choice Energy different from Community Solar?

- Community Solar is limited in its reach: a maximum of 200MW statewide and 5MW per project. Local Choice Energy would allow communities to generate or purchase as much renewable energy as they need. (For comparison, the City of Santa Fe alone uses nearly 200 MW at its peak.)
- The financial benefits of Community Solar go to the private developer and subscribers of the project, whereas Local Choice Energy revenues benefit the local communities they serve and are reinvested back into local government budgets for community needs.



How is Local Choice Energy different from Community Solar?

- Local Choice Energy is a platform that enables communities to use renewables and launch renewable programs, while community solar is just one program. For instance, a local choice energy provider could run a community solar program alongside an energy efficiency program and a community resilience microgrid program.
- The IOUs are attempting to delay the implementation of the Community Solar Act the legislature passed and the governor signed into law in 2021 through lawsuits, unfair billing proposals, proposed limitations, and other regulatory filings, because they fear that community-generated solar energy is a threat to their business. New Mexicans deserve more choices.

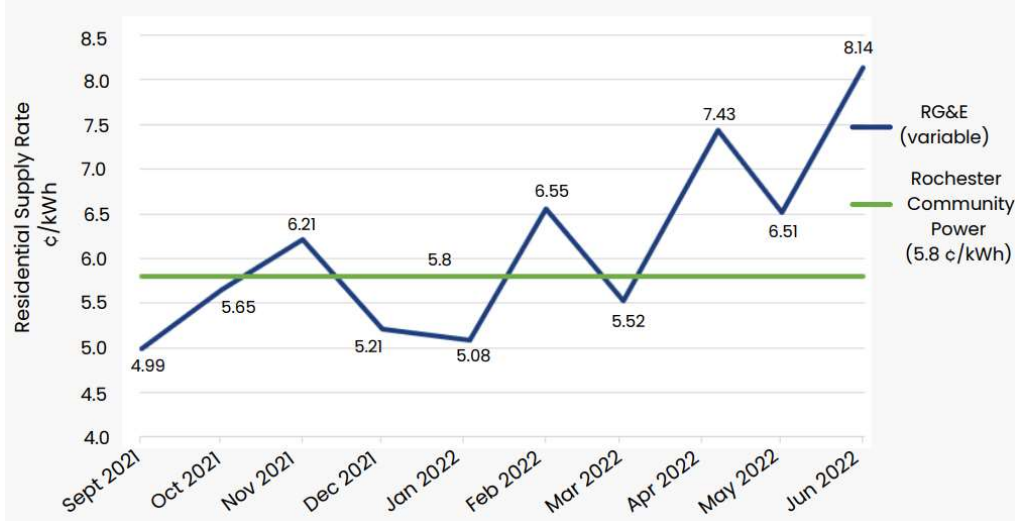


Community Solar & Rooftop Solar are supported in the Local Choice Energy Act!

- The Local Choice Energy Act is the only legislation of its kind in the country that mandates that local choice energy providers create rooftop solar and community solar programs.
- Many local choice providers in other states have excellent rooftop solar and community solar programs.



LCE Program Success Stories



- Default product is 100% renewable
- Provides a steady supply rate vs. RG&E
- Offers a community solar program where subscribers can save up to 10% more on electricity on an annual basis
- Used over 120 million kWh of 100% renewable electricity sourced in New York State since its launch
- Participants helped avoid over 28,000 metric tons of CO₂ emissions, the equivalent of taking 6,179 cars off the road for 1 year
- 42,018 metric tons of GHG emissions avoided
- Selected for The Department of Energy's Office of Electricity (OE) Energy Storage Program and will receive technical assistance from Pacific Northwest National Laboratory as part of the Energy Storage for Social Equity (ES4SE) Initiative.

LCE Program Success Stories



- First LCE program to launch in California, serves more than one million residents and businesses in 37 member communities in the San Francisco Bay Area
- Providing competitive rates vs. PG&E
- Over 700,000 metric tons of GHG emissions eliminated since 2010
- \$68 million saved by customers since 2010
- 6,000+ California jobs supported
- Offers a multitude of programs and offerings for both residential and commercial customers such as home/business electrification rebates, EV rebates
- Currently has 914 megawatts of new, California renewable energy online and under development
- Committed more than \$2.4 billion to the development of in-state and local renewable energy projects.
- Feed In Tariff program

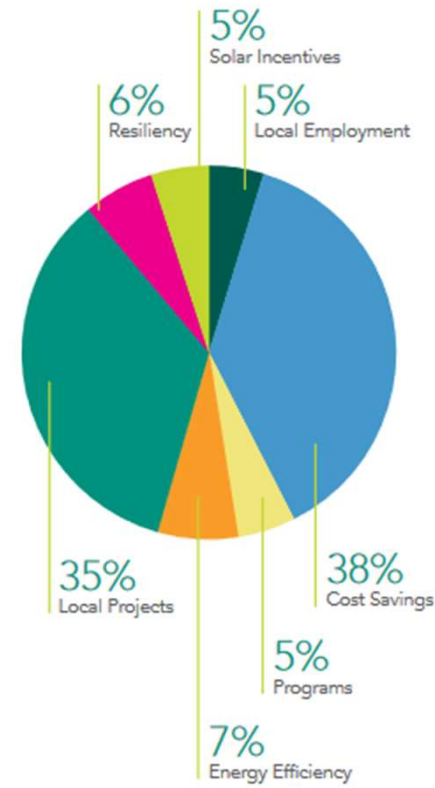
LCE Program Success Stories



Cost Savings	\$68 million
Local Renewable Energy Projects	\$62 million
Energy Efficiency	\$12 million
Energy Resiliency	\$11 million
Solar Incentives	\$10 million
Local Employment and Vendor Contracts	\$9 million
Customer Programs	\$8 million

\$180 million

Total amount MCE has contributed in community reinvestment since 2010.



▲ MCE's \$180 million community reinvestment by percentage.

LCE Nationally

Authorized in 10 States:

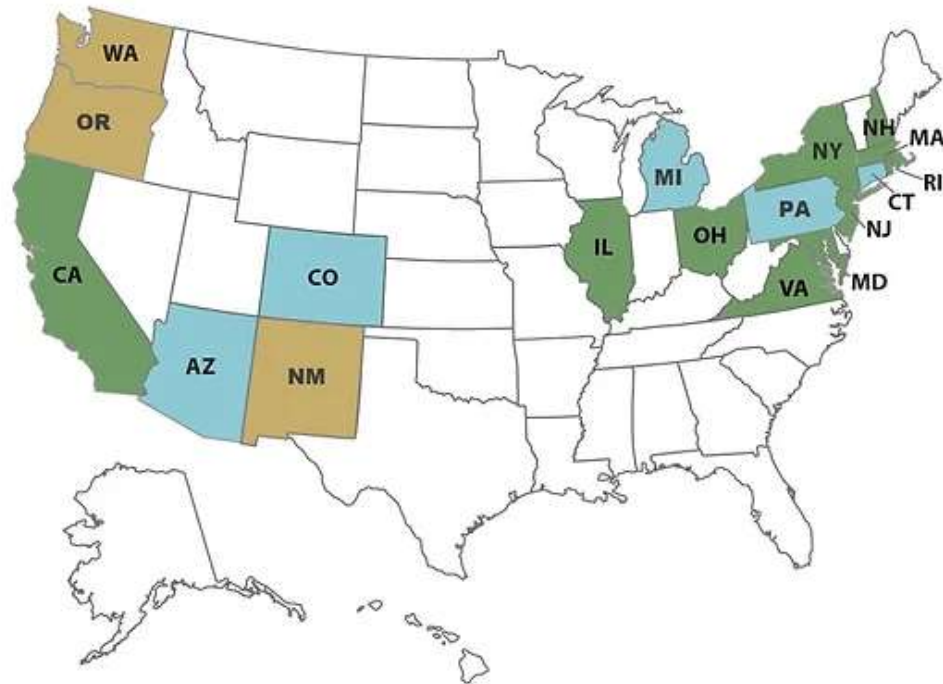
- California
- Illinois
- Maryland (Montgomery Co. Pilot)*
- Massachusetts
- New Hampshire*
- New Jersey
- New York
- Ohio
- Rhode Island
- Virginia*

Actively Investigating:

- Arizona
- Colorado
- Connecticut
- Michigan
- Pennsylvania

Watch List/Potential:

- Oregon
- Washington
- New Mexico



Updated 8.1.22

What happens after the Local Choice Energy Act is passed?

- The Local Choice Energy Act will take effect July 1, 2023,
- The Public Regulation Commission (PRC) will undertake rulemaking within 180 days from that date to define rules for implementing the Act.
- After the rulemaking is complete, local governments can submit implementation plans to the PRC for approval.



When Local Choice Energy is passed, how do communities become Local Choice Energy Providers?

- Local governments undertake Feasibility/Technical Studies
- They pass ordinances or undertake the appropriate Tribal government process to establish the Local Choice Energy Provider
- They establish Joint Powers Agreements with other local governments if they want to create a regional provider
- They undertake planning including business planning, creating timelines, identifying funding, establishing operating rules/procedures
- They file Implementation Plans with the PRC for their approval
- They issue notices to customers informing them of the formation of the Local Choice Energy Provider and the option to opt out
- They might issue requests for proposals for any services they need



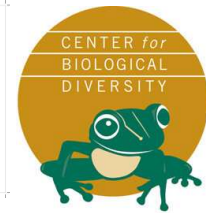
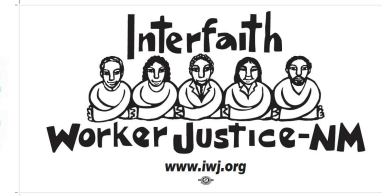
How can we get Local Choice Energy?

- We need to pass a law in New Mexico in 2023 to bring Local Choice Energy to our communities.
- We're growing a grassroots movement across the state in order to do this, and you can join us!
- Sign up at **publicpowernm.org**, and help us by calling your legislators, county commissioners, mayors, councilors, and other community leaders to ask for their support. Help us spread the word and win!



Who endorses Local Choice Energy?

Many community groups, municipalities, counties, and tribes are coming out to support Local Choice Energy! Here are some of the grassroots organizations that have signed on!



New Mexico Social Justice & Equity Institute



Thank you!

**Learn more and get involved at
publicpowernm.org!**

