
NEW MEXICO PUBLIC REGULATION COMMISSION

FROM THE OFFICE OF DISTRICT 5 COMMISSIONER SANDY JONES

PRESS CONTACT » CARLOS PADILLA » 505-827-4446 » carlos.padilla2@state.nm.us

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NEWS RELEASE

Commissioner Jones Explains How the PRC Encourages Economic Development in NM

SANTA FE – – It's safe to say that most people throughout the state do not consider the Public Regulation Commission a source of economic development for New Mexico. Well that's simply not the case.

One of the more significant methods the Commission utilizes to help boost economic development and the creation of jobs in New Mexico is by keeping electric rates at the lowest reasonable levels, while simultaneously ensuring reliable service. Companies looking to relocate to new areas often take into consideration utility rates as well as the reliability of service.

By incentivizing various aspects of the regulatory process, the New Mexico Public Regulation definitely plays a role in attracting companies that are considering relocation to New Mexico.

Most recently, the Commission decided to expedite the regulatory approval process for an application filed by Public Service Company of New Mexico ("PNM") to sell power to a \$250 million data center that may be built in New Mexico by Facebook. In its application, PNM states that one of Facebook's requirements is that PNM procures a sufficient amount of renewable energy to match the energy requirement of the data center. PNM's application also makes it clear that New Mexico is competing with other states as the site for the new data center, and that an agreement between PNM and Facebook requires Commission action by no later than August 31, 2016. The Commission's expedited review process should allow the Commission to issue a final order by that deadline. If the Commission ultimately approves PNM's application, and Facebook decides to build its data center in this state, New Mexicans will benefit from increased jobs and the increased use of renewable energy. These are just a few examples of how the Commission works toward improving the lives of our citizens.

Based on data from the federal Energy Information Administration (EIA) for calendar year 2015 in U.S. cents per kWh, New Mexico compares very well overall across all end-use sectors for electricity. New Mexico's \$9.68 is well below the national average of \$10.42. The Lower 48 states range from \$7.41 in the state of Washington to \$17.76 in Connecticut. According to figures from PNM, which is New Mexico's largest electric utility, the average bill for its customers (\$76.88) is significantly lower than the average electric bill in the region (\$111.38), and far below the U.S. average bill for electricity (\$116.55).

The Commission has also been at the forefront of increasing the availability of broadband service in New Mexico through the creation of the Broadband Fund. By introducing or increasing the availability of broadband service to rural, underserved and unserved regions of the state, and by enhancing upload and download speeds in areas where broadband service already exists, the PRC is boosting revenues for commercial as well as home-based businesses that utilize the Internet to reach customers.

Based on EIA data for calendar year 2014, which is the last full year that data is presently available, New Mexico compares very well up against other end-use sectors in U.S. dollars per thousand cubic feet (mcf).

In Residential natural gas rates, New Mexico's \$10.13 is still below the national average of \$10.97, and far below neighboring Arizona's \$17.20.

New Mexico's Commercial rate for natural gas of \$7.87 per mcf is significantly below the national average of \$8.90, and below Colorado's \$8.15, and Arizona's \$10.34.

Our Industrial natural gas rate, which is \$6.45 per mcf, comes under Colorado's \$6.84 and Arizona's \$7.52.

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