
NEW MEXICO PUBLIC REGULATION COMMISSION

FROM THE OFFICE OF DISTRICT 5 COMMISSIONER SANDY JONES



FOR IMMEDIATE RELEASE

April 11, 2018

CONTACT:

Kristin Haase, Assistant to PRC Chairman Sandy Jones

Phone: (505) 827-8020

Cell: (505) 216-8569

Email: kristin.haase@state.nm.us

PRC pulls the plug on PNM's smart meter proposal

SANTA FE, NM – New Mexico Public Regulation Commission Chairman Sandy Jones, District 5, today announced the commission unanimously rejected the Public Service Company of New Mexico's proposal to install Advanced Metering Infrastructure (AMI), or smart meters, citing rate increases, an excessive opt-out fee, and layoffs as deal breakers.

"After several hearings, I felt the program was clearly not in the best interest of the public," said Commissioner Jones. "I held public meetings in Silver City and Deming and many of my constituents agreed."

Following three separate hearings held over the course of almost two and a half years, the commissioners concurred that the proposed AMI program did not fairly balance the interests of investors and ratepayers or promote the public interest.

The commissioners determined the AMI program failed to take advantage of possible energy efficiency measures, identify sufficient operational benefits, or provide meaningful opt-out opportunities. Especially significant was a concern that the lifetime costs to ratepayers would exceed savings in contrast with the benefits shareholders would reap.

The commissioners agreed with the hearing examiner's recommended decision that the AMI program is not cost effective and would carry a \$121 million price tag, forcing a rate increase of at least \$5.9 million in the first year following the meters' deployment.

Other elements of the project were controversial, including the \$42.72 per month customer opt-out fee for not using the AMI meter and the resulting layoffs of 125 PNM employees who currently perform meter reading and related tasks.

“This technology has great potential but it needs to be maximized not minimized,” said Commissioner Cynthia B. Hall, District 1.

PNM’s application was also opposed by all the New Mexico Attorney General, New Mexico Industrial Energy Consumers, Coalition for Clean Affordable Energy Western Resource Advocates, City of Albuquerque, New Mexicans for Utility Safety, Citizens for Fair Rates and the Environment, and the Commission's Utility Division Staff.

The commissioners requested PNM submit a pilot program proposal at the next energy efficiency program filing in 2020.

“There are several aspects of the AMI program that need to be addressed, therefore a pilot program is critical in this matter,” said Commissioner Lynda Lovejoy, District 4, who seconded the motion to approve the pilot program. “Our priority is the consumers and we must ensure they are protected.”



The New Mexico Public Regulation Commission (NMPRC) regulates the utilities, telecommunications, and motor carrier industries to ensure fair and reasonable rates, and to assure reasonable and adequate services to the public as provided by law. The NMPRC promotes public safety through the offices of State Fire Marshal, the Firefighter Training Academy, Pipeline Safety Bureau, and Transportation Division.