



PROTECTING THE WEST'S LAND, AIR, AND WATER

Matthew Tisdale  
Gridworks

CC: Commission Members  
Cynthia B. Hall  
Jefferson L. Byrd  
Joseph Maestas  
T. Becenti-Aguilar  
Stephen Fischmann

June 3rd, 2022

Dear Matthew,

Thank you for Gridworks' leadership and commitment to stakeholder engagement on NMPRC's forthcoming rulemaking to implement HB521. As a follow up to the May 12th workshop, WRA, SWEEP, Prosperity Works, the Rio Grande Chapter of the Sierra Club, and Conservation Voters New Mexico would like to offer the following comments on how this rulemaking can improve the TEP process and remove unnecessary confusion or vagueness. The below comments touch on guiding principles, filing requirements, budget structure, cost recovery, and equity considerations.

### **Guiding Principles**

If the NMPRC decides to proceed with a rulemaking on transportation electrification plans, it should be fully consistent with the purpose of the legislation to "expand transportation electrification." The PRC should refrain from adopting rules that would have the effect of limiting the scope or speed of the transition of the transportation sector from combustion to electric drive technology, such as a budget cap.

Further, potential rules should be fully consistent with the criteria the legislature set forward for how the Commission should evaluate applications, including whether plans would "increase access to the use of electricity as a transportation fuel, with consideration given for increasing such access to low-income users and users in underserved communities" and whether the plans are "designed to contribute to the reduction of air pollution and greenhouse gasses."

Lastly, potential rules should take into account the broader state context, including the [New Mexico Climate Strategy](#) and the state target of reducing emissions 45 percent below 2005 levels by 2030. Utility transportation electrification plans will not be sufficient on their own to reach that target, but they play a critical role in the state's broader efforts to reduce greenhouse gas emissions. Accordingly, potential Commission rules should point the utilities in an ambitious direction.

### **Filing Requirements**

#### **Minimum Program Requirements**

This rulemaking should standardize what constitutes a complete TEP filing. To ensure that each utility offers a TEP that caters to all of the key customer segments, a TEP should not be considered complete unless it includes programs addressing multiple market segments and vehicle classes for transportation electrification. These segments should include, at minimum: multifamily housing, single family housing, small commercial businesses, commercial businesses, transit agencies, and e-mobility programs (such as carshares, paratransit, e-bike shares, e-scooter shares, or others). Furthermore, utilities should include programs capable of supporting the electrification of all classes of vehicles, including light-, medium- and heavy-duty vehicles and off-road equipment. Standardization of this variety will ensure that each utility submits a plan which addresses the needs of a broad swath of customers and sets utilities up for success in having their programs approved during TEP proceedings.

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## **Data Collection**

The Commission should require utilities to report on the number of applications each program receives, number of applications approved, number of projects begun, numbers of projects completed, spending on low and moderate-income customers, operational statistics at utility-owned charging stations, and operational statistics at third-party charging stations. Having standardized reporting requirements across utilities will allow stakeholders to better assess how programs compare to each other and streamline the determination of reporting requirements in TEP proceedings. Given that range anxiety is of serious concern to EV drivers, it is imperative that charging stations be consistently operational. As such, reporting on the number and time of outages at these stations will better inform whether they are actually increasing charging access in New Mexico. Furthermore, tracking the amount of time these stations are in use for will provide information on the state of charging usage. With respect to low and moderate-income program statistics, gathering further information on the engagement of these customers in programs will be a crucial metric for determining if the programs are reaching their intended audiences or if they warrant change.

## **Budget Structure**

### **Specific Low and Moderate-Income Budgeting**

The Commission should require all TEPs to allocate a specific percentage of the total TEP budget for programs addressing the unique needs of low and moderate-income customers. Given that these customers face greater barriers to transportation electrification, utilities should dedicate a significant portion of their TEP budgets to helping LMI customers access the benefits of transportation electrification. The exact percentage for this budget allocation should be determined by examining the demographics of customers in New Mexico and other relevant factors.

### **Programmatic Budget Flexibility**

In order to drive transportation electrification smoothly and effectively, the Commission should allow utilities to shift funds between TEP programs as necessary to meet market demand. The New Mexico utilities have all requested a certain degree of budget flexibility in their initial TEPs, as is standard for most utilities across the country. This prevents unnecessary delays that could otherwise occur if utilities had to seek Commission approval to make mid-stream adjustments to TEP programs in response to emerging trends in the market. The Commission could consider placing a limitation on budget flexibility to prevent actual expenditures from varying wildly from originally estimated budgets. In particular, the Commission should ensure that utilities stick to the planned percentage of spending on programs for low- and moderate-income populations, rather than transferring money to unrelated parts of the budget.

## **Cost Recovery**

### **Vehicle Purchase Incentives**

The Commission should clarify that utilities are allowed to offer direct purchase support to assist customers with acquiring new or used electric vehicles. These programs are analogous to subsidies utilities offer customers to purchase energy-efficient water heaters, lightbulbs or other appliances, because of the benefits those subsidies provide to all ratepayers. Assisting customers with vehicle acquisition will “increase access to the use of electricity as a transportation fuel” as directed by statute.

## **Equity Considerations**

### **Low and Moderate-Income Programs**

In addition to the budget allocation mentioned above, the Commission should require that low and moderate-income programs meet certain qualifications so that they are accessible to the customers they seek to serve. For one, the Commission should require that low and moderate-income programs for individual customers include an upfront, point-of-sale rebate structure where customers can access the capital required for the rebate immediately, instead of having to provide it themselves and later be reimbursed. Providing program funds at the point of purchase for such programs removes the barrier of needing to provide payment upfront, which allows customers with less disposable income greater opportunity to take advantage of the program. Additionally, the Commission should allow for low and moderate-income customers to self-certify their eligibility so that onerous documentation procedures do not

present another obstacle in program participation. Prosperity Works' prior comments address this issue in further detail and this letter's signatories echo those sentiments.

**Language Accessibility**

To allow for all New Mexicans to access information on TEP programs, the Commission should require that all program materials be made available in English and Spanish.

Thank you for the opportunity to provide further comments. Please reach out if you would like to further discuss any of these recommendations.

Sincerely,

Deborah Kapiloff, WRA  
Tammy Fiebelkorn, SWEEP  
Ona Porter, Prosperity Works  
Ken Hughes, Rio Grande Chapter of the Sierra Club  
Samantha Kao, Conservation Vote