

PRC sides with consumers, requires PNM to reflect savings from coal closure

Ruling will result in \$8/month savings for average customer, immediate issuance of community funding when San Juan Generating Station closes

The Public Regulation Commission voted 5-0 on Wednesday that PNM violated the ETA. The Commission agreed with environmental and consumer groups and blocked PNM's plan to keep charging customers for San Juan Generating Station expenses long after the plant is closed. The commission also required PNM to issue the community and worker money that the Energy Transition bonds would fund immediately when the coal plant closes.

The ruling means the average PNM customers will see a bill savings of more than \$8 per month, and hundreds of dollars over the next 18 months. PNM planned to charge customers for coal expenses after it exits the plant in September, which would have resulted in over \$125 million in double collections from PNM ratepayers.

The recommendation also requires PNM to issue the millions of dollars in community and worker transition funding that the ETA bonds should provide, even if PNM delays its bond issue.

PNM revealed earlier this year that it would delay issuing ETA bonds until after it filed its next rate case. The AAA-rated, low-interest ETA bonds dramatically lower customer payments for stranded San Juan Generating Station expenses and were meant to be issued when the utility exits San Juan. Instead, PNM planned to keep charging customers for as long as 18 months afterward, until after its next rate case. The charges would include operations and maintenance costs that the utility was no longer paying, as well as a significant rate of return that PNM collects as profit. The savings from the bonds' lower interest rates than PNM's 10% rate of return would also provide \$40 million in funding for impacted communities and workers.

Dozens of New Mexicans, including many from the impacted Four Corners area, offered public testimony last month urging transition, immediate rate credits reflecting the savings of removing coal from PNM's portfolio, and immediate investment of ETA transition funds for the community and plant and mine workers.

The Energy Transition Act's intent is carried out by the decision today. For those having a hard time paying their energy bills, relief is coming," said **Stephanie Dzur for the Coalition for Clean Affordable Energy**.

"PNM wanted to continue to charge New Mexicans for a coal plant the utility will be closing. We protected PNM customers from charges that shielded consumers from seeing the benefits of switching from coal to cleaner sources of energy." said **Cara Lynch, attorney for CCAE and Prosperity Works**.