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Utility pre-deployment incentive passes Senate

By Megan Gleason / Journal Business Editor
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Sen. Michael Padilla, D-Albuquerque, talks to Economic Development Secretary-designate Rob Black, while the floor debates his Senate Bill 170, Monday.

Eddie Moore/Journal

SANTA FE — Despite some legislators' fears of increased utility bill costs and a lack of transparency, another bill to ensure New Mexico has development-ready land is moving onto the House.

Senate Bill 170 passed the Senate by a 31-10 vote Monday, and its companion bill Senate Bill 169 passed the floor 37-2 over the weekend. The site readiness measures are ultimately aiming to draw more economic development — private, tribal or public — to New Mexico.

SB170 would allow public utilities to ask the New Mexico Public Regulation Commission for permission to set up power lines, roads and other infrastructure on empty plots of land prime for development — and get money back later for it.



Currently, utilities have to write off those costs, explained Economic Development Secretary-designate Rob Black. This bill would allow the PRC to approve rate recovery measures instead, via customer base charges or surcharges.

Getting a site set up with all its infrastructure, from public utilities to roads, can take years in New Mexico, something that has dissuaded developers from coming to the state. Senate Minority Whip Michael Padilla, D-Albuquerque, on the floor described his SB170 — a bipartisan bill — as a piece of the puzzle that would change that.

A few senators rose with concerns that all utility customers would have to pay for a measure only benefitting some areas.

“This is a statewide economic development program, but it really isn’t shared statewide. It’s shared only by the people within that particular utility’s district area,” said Sen. William Soules, D-Las Cruces.

Black told the Journal the legislation would likely make utility bills cheaper because it would attract large developers that need a lot of energy. In turn, he said, the developers would pay for grid upgrades and attract economic activity.

Sen. Antoinette Sedillo Lopez, D-Albuquerque, said she would like to see more guardrails in the bill around what projects are chosen as prime for economic development.

“I’m always queasy when we give these big benefits out,” she said.

But Black said public utilities couldn’t ask the PRC for permission to set up infrastructure early and recover costs later unless the Economic Development Department labels it as a prime spot for future economic development projects.

Even then, the PRC would still need to approve it.

The bill doesn’t change the normal regulatory processes utilities go through at the PRC, Black added.

“I think there was some confusion about how rates work in the debate,” he said.

All ten “no” votes on the bill were cast by Democratic senators.

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