

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF AN INQUIRY	)	
INTO RENEWABLE ENERGY AS A	)	
SOURCE OF ELECTRICITY,	)	
	)	Utility Case No. 3619
UTILITY DIVISION STAFF OF THE	)	
PUBLIC REGULATION COMMISSION,	)	
	)	
Petitioner.	)	

**NOTICE OF PROPOSED RULEMAKING**

**NOTICE IS HEREBY GIVEN** that the New Mexico Public Regulation Commission ("NMPRC" or the "Commission") proposes to adopt a new Rule 572 to replace existing Rule 572 and a portion of Rule 591, and to encourage the development of renewable energy in New Mexico.

The proposed new Rule has two parts: In the first, public utilities are to provide to all customers an energy portfolio with a progressively greater percentage of service from renewable sources, on a least cost basis and preferably from generators in New Mexico. By September 1, 2003, the portfolio standard will be 2%. Then, the standard increases to 5% by September 1, 2005. Finally, the standard becomes 10% by September 1, 2007. A utility may satisfy some or all of these requirements through acquisition of certificates from any other New Mexico generator.

The second part of the proposed Rule specifies that every utility must provide electricity from renewable sources to any customer who requests it, and who is willing to purchase renewable energy, regardless of cost, based on availability. The price charged for these voluntary programs is to be established in renewable energy tariffs filed with and approved by the Commission.

The proposed rule would be adopted under the authority granted the Commission by the New Mexico Constitution, Article XI, Section 2, and by the Legislature pursuant to NMSA 1978 *Sections 8-8-4; 8-8-15; 62-3-1; 62-3A-2; 62-3A-19; 62-3A-20; 62-6-4; and 62-6-19.*

A copy of the proposed rule to be promulgated as NMPRC Rule 572 is attached hereto as "Exhibit A". The rule has been formatted for inclusion in the New Mexico Administrative Code pursuant to NMSA 1978 Section 14-4-3 and, if adopted as proposed, would be cited as 17 NMAC 10.572.

The proposed Rule specifies an effective date of June 14, 2002. Any person wishing to comment on the proposed NMPRC Rule 572, 17 NMAC 10.572 may do so by submitting written comments no later than April 15, 2002. Any person wishing to respond to comments may do so by submitting written response comments no later than April 30, 2002. Comments suggesting changes to the rule as proposed shall state and discuss the particular reasons for the suggested changes and shall include all specific language necessary or appropriate to effectuate the changes being suggested. The Commission requests that commentors provide a proposed version of the Form 11.2 referenced in Section 11.2 of the proposed Rule.

All pleadings, including comments, shall bear the caption and case number contained at the top of this notice and must be served on all persons in the Commission official service list for this case. Additional copies of the proposed Rule can be obtained from, and comments on the proposed Rule shall be sent to:

Maria Brito, Records Manager  
NMPRC-Utility Division  
Marian Hall  
224 East Palace Avenue  
Santa Fe, New Mexico 87501  
Telephone: (505) 827-6940

Pursuant to NMSA 1978, Section 8-8-15(B), this notice, including Exhibit A, shall be mailed at least thirty days prior to the hearing date to all persons who have requested advance notice, and it must be published, without Exhibit A, in two newspapers of general circulation in the state and in the New Mexico Register.

A public hearing will begin at 9:30 on May 8, 2002 at the offices of the Commission at Marian Hall, 224 East Palace Avenue, Santa Fe, New Mexico, to receive oral comment. The previous hearing scheduled for April 23,

2002 is hereby vacated and this Notice replaces the Notice issued by the Commission in this case on February 26, 2002.

Copies of any Final Order adopting the proposed Rule will be sent, along with copies of the particular rules adopted or amended, to all affected utilities, commentors in the case, and individuals requesting such copies.

**ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 12<sup>TH</sup> day of March, 2002.**

**NEW MEXICO PUBLIC REGULATION COMMISSION**

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**TONY SCHAEFER, CHAIRMAN**

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**LYNDA M. LOVEJOY, VICE-CHAIRWOMAN**

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**HERB H. HUGHES, COMMISSIONER**

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**RORY McMINN, COMMISSIONER**

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**JEROME D. BLOCK, COMMISSIONER**