

**N.M. Stat. Ann. § 62-8-13**

Current through all chaptered acts of the 2024 Regular Session.

*Michie's™ Annotated Statutes of New Mexico > Chapter 62 Electric, Gas and Water Utilities (Arts. 1 — 3A) > Article 8 Duties and Restrictions Imposed Upon Public Utilities (§§ 62-8-1 — 62-8-13)*

**62-8-13. Application for grid modernization projects.**

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**A.** A public utility may file an application with the commission to approve grid modernization projects that are needed by the utility, or upon request of the commission. Applications may include requests for approval of investments or incentives to facilitate grid modernization, rate designs or programs that incorporate the use of technologies, equipment or infrastructure associated with grid modernization and customer education and outreach programs that increase awareness of grid modernization programs and of the benefits of grid modernization. Applications shall include the utility's estimate of costs for grid modernization projects. Applications for grid modernization projects shall be filed pursuant to Sections 62-9-1 and 62-9-3 NMSA 1978, as applicable.

**B.** When considering applications for approval, the commission shall review the reasonableness of a proposed grid modernization project and as part of that review shall consider whether the requested investments, incentives, programs and expenditures are:

- (1) reasonably expected to improve the public utility's electrical system efficiency, reliability, resilience and security; maintain reasonable operations, maintenance and ratepayer costs; and meet energy demands through a flexible, diversified and distributed energy portfolio, including energy standards established in Section 62-16-4 NMSA 1978;
- (2) designed to support connection of New Mexico's electrical grid into regional energy markets and increase New Mexico's capability to supply regional energy needs through export of clean and renewable electricity;
- (3) reasonably expected to increase access to and use of clean and renewable energy, with consideration given for increasing access to low-income users and users in underserved communities;
- (4) designed to contribute to the reduction of air pollution, including greenhouse gases;
- (5) reasonably expected to support increased product and program offerings by utilities to their customers; allow for private capital investments and skilled jobs in related services; and provide customer protection, information or education;
- (6) transparent, incorporating public reporting requirements to inform project design and commission policy; and
- (7) otherwise consistent with the state's grid modernization planning process and priorities.

**C.** Except as provided in Subsection D of this section, a public utility that undertakes grid modernization projects approved by the commission may recover its reasonable costs through an approved tariff rider or in base rates, or by a combination of the two. Costs that are no greater than the amount approved by the commission for a utility grid modernization project are presumed to be reasonable. A tariff rider proposed by a public utility to fund approved grid modernization projects shall go into effect thirty days after filing, unless suspended by the commission for a period not to exceed one hundred eighty days. If the tariff rider is not approved or suspended within thirty days after filing, it shall be deemed approved as a matter of law. If the commission has not acted to approve or disapprove the tariff rider by the end of the suspension period, it shall be deemed approved as a matter of law.

**D.** Costs for a grid modernization project that only benefits customers of an electric distribution system shall not be recovered from customers served at a level of one hundred ten thousand volts or higher from an electric transmission system in New Mexico.

**E.** The provisions of this section do not apply to a distribution cooperative organized pursuant to the Rural Electric Cooperative Act [Chapter 62, Article 15 NMSA 1978].

**F.** As used in this section, “grid modernization” means improvements to electric distribution or transmission infrastructure through investments in assets, technologies or services that are designed to modernize the electrical system by enhancing electric distribution or transmission grid reliability, resilience, interconnection of distributed energy resources, distribution system efficiency, grid security against cyber and physical threats, customer service or energy efficiency and conservation and includes:

- (1) advanced metering infrastructure and associated communications networks;
- (2) intelligent grid devices for real time or near-real time system and asset information;
- (3) automated control systems for electric transmission and distribution circuits and substations;
- (4) high-speed, low-latency communications networks for grid device data exchange and remote and automated control of devices;
- (5) distribution system hardening projects for circuits and substations designed to reduce service outages or service restoration times, but does not include the conversion of overhead tap lines to underground service;
- (6) physical security measures at critical distribution substations;
- (7) cybersecurity measures;
- (8) systems or technologies that enhance or improve distribution system planning capabilities by the public utility;
- (9) technologies to enable demand response;
- (10) energy storage systems and microgrids that support circuit-level grid stability, power quality, reliability or resiliency or provide temporary backup energy supply;
- (11) infrastructure and equipment necessary to support electric vehicle charging or the electrification of community infrastructure or industrial production, processing, or transportation; and

**(12)** new customer information platforms designed to provide improved customer access, greater service options and expanded access to energy usage information.

## History

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2020, ch. 15, § 3, effective May 20, 2020; 2021, ch. 110, § 1, effective April 6, 2021.

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