

<b>LFC Requester:</b>	<b>Jon Clark</b>
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**AGENCY BILL ANALYSIS  
2015 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:  
**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** January 27, 2015  
**Bill No:** HB 116

**Sponsor:** Rep. Cathrynn N. Brown  
**Short Title:** First Right to Construct, Own and Maintain

**Agency Code:** Attorney General's Office  
**Person Writing:** P. Cholla Khoury, AAG  
**Phone:** 827-7484    **Email:** ckhoury@nmag.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 247  
 Duplicates/Relates to Appropriation in the General Appropriation Act:

**SECTION III: NARRATIVE**

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

**BILL SUMMARY**

Synopsis: HB 116 creates a first right to construct, own and maintain electric transmission facilities for public utilities and generation and transmission cooperatives in the State of New Mexico. This first right to construct applies to transmission facilities that have been approved for construction by regional transmission authorities and that are eligible to regional cost allocation, and requires that the facility shall not be built until it has obtained all necessary governmental approvals.. To the extent any transmission facility interconnects two or more public utilities or generation and transmission cooperatives, the interconnected entities shall determine who shall build own and maintain the facilities. If no such determination is made, then each interconnected entity shall build, own and maintain its own share of the facility.

HB 116 provides that the public utility or generation and transmission cooperative shall give the PRC notice within 60 days of informing the regional transmission organization that it is exercising its rights to construct, own and maintain the transmission facility.

**FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

**SIGNIFICANT ISSUES**

HB 116 gives companies that participate in a Regional Transmission Organization (RTO) the first right to construct transmission facilities that are deemed necessary by the RTO. FERC Order 1000 specifically removes the federal first right of construction but remains silent on a State’s ability to create such a right.

**PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

N/A

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**Status quo**

**AMENDMENTS**

N/A