

NEW MEXICO

Low Income Energy Assistance Act

House Bill 732

- **What House Bill 732 Does:** House Bill 732 provides funding for home energy assistance and efficiency to help low income families in New Mexico manage rising energy costs. The relief fund, which would be funded by one-third of the natural gas processors' tax, provides sustainable funding for the New Mexico Human Services Department's Low Income Energy Assistance Program (LIHEAP), the New Mexico Mortgage Finance Authority's low income weatherization program (Energy \$mart) and to the New Mexico Energy, Minerals and Resources Department for low income energy efficiency programs. The bill contains a sunset clause that would allow legislators to reevaluate the effectiveness of this fund in five years.

- **How This Could Help New Mexico:** Energy affordability is a major challenge for low income families across the United States and finding ways to help New Mexicans reduce their energy bills is imperative for the financial health of our citizens. Estimates indicate that at least 150,000 New Mexicans qualify for energy assistance. Currently, only about half of those residents receive short-term bill assistance and 1,000 to 1,500 receive weatherization assistance each year. Statistics show that implementing energy efficiency measures in a low income home can provide up to 30 percent savings on energy bills. At the current rate of funding, it would be 2050 or beyond before all energy inefficient low income homes would receive needed assistance.

National studies indicate that families that have troubles paying their energy bills will take funds from food, medical necessities, house payments and other basic needs to avoid disconnection. More sustainable and comprehensive approaches that include conservation education, energy efficiency, short-term assistance and other programs could help improve these families' situations. Though some federal funding comes into New Mexico for this kind of assistance, the funding is inconsistent, not guaranteed and does not allow agencies the opportunity to consistently deliver services to citizens in need.

- **Why Energy Affordability is an Issue in New Mexico:** Though people throughout the U.S. enjoyed relatively reasonable energy prices for years, the basic costs of heating and cooling a home have recently risen dramatically and will continue to rise for all consumers, whether through natural gas, electricity or bulk fuels such as propane. With at least 25 percent of New Mexicans living at 150 percent of the poverty level and 40 percent live at 200 percent of the poverty level, many households are struggling with energy costs.

- **Organizations Supporting This Legislation:** Earlier this year, a group of organizations formed an unprecedented collaborative to address energy affordability in our state, to learn about how other states are approaching these challenges and to make policy recommendations. Because low income energy affordability is a long-term challenge, the group determined that the establishment of a permanent advisory group would be beneficial to our state. Participating members include:

- NM Attorney General's Office
- Community Action New Mexico
- Xcel Energy
- PNM
- NM Gas Co.
- NM Rural Electric Cooperative Association
- El Paso Electric Company
- NM Public Regulation Commission
- Eastern Plains Community Action Agency
- Natural Resources Defense Council
- NM Mortgage Finance Authority
- NM Utility Shareholders Alliance
- Help New Mexico
- NM Voices for Children
- NM Human Services Department
- Southwest Energy Efficiency Project
- NM Energy, Minerals and Natural Resources Department
- Coalition for Clean and Affordable Energy
- Albuquerque Affordable Housing Coalition
- NM Conference of Churches
- Association for Community Organizations for Reform Now
- New Mexico State University
- New Mexico Cooperative Extension Service
- Central NM Housing Corporation

For more information, contact Amy Miller at 505-241-2721

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Low Income Energy Advisory Committee

Senate Joint Memorial 41

- **What Senate Joint Memorial 41 Does:** Senate Joint Memorial 41 creates a Low Income Energy Assistance Advisory Committee to make recommendations on low income energy affordability efforts in New Mexico. The committee will consist of representatives from New Mexico gas and electric utilities, rural electric cooperatives, non-profit organizations, environmental/clean energy organizations, and appropriate state agencies including the New Mexico Human Services Department, New Mexico Mortgage Finance Authority, the New Mexico Energy, Minerals and Natural Resources Department and other appropriate stakeholders. The committee would make recommendations to the governor, the Public Regulation Commission and the legislature on low income energy assistance funding and program implementation. There is no fiscal impact in the creation of this advisory group.
- **How This Effort Could Help New Mexico:** Energy affordability is a major challenge for low income families across the United States and finding ways to help New Mexicans reduce their energy bills is imperative for the financial health of our citizens. National studies indicate that families that have troubles paying their energy bills will take funds from food, medical necessities, house payments and other basic needs to avoid disconnection. More comprehensive approaches that include conservation education, energy efficiency/weatherization efforts, short-term assistance and other programs could help improve these families' situations.
- **Why This Is An Issue For New Mexico:** Though people throughout the U.S. enjoyed relatively reasonable energy prices for years, the basic costs of heating and cooling a home have recently risen dramatically and will continue to rise for all consumers, whether through natural gas, electricity or bulk fuels such as propane. With at least 25 percent of New Mexicans living at 150 percent of the poverty level and 40 percent live at 200 percent of the poverty level, many households are struggling with energy costs. The 2008 report "On the Brink: 2007, The Home Energy Affordability Gap," indicates that low income households in New Mexico are paying from 7.5 percent to 50.5 percent of their household income toward energy bills. Affordability for total home energy bills is considered to be 6 percent of household income.
- **Organizations Supporting This Legislation:** Earlier this year, a group of organizations formed an unprecedented collaborative to address the energy affordability challenge in our state, to learn about how other states are approaching these challenges and to make policy recommendations. Because low income energy affordability is a long-term challenge, the group determined that the establishment of a permanent advisory group would be beneficial to our state. Participating members include:
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