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## **Bill would help indebted utility customers**

**By Kevin Robinson-Avila**  
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Tens of thousands of New Mexico families are struggling to pay their utility bills during the pandemic, prompting some lawmakers to propose special assistance to help pay their debts.

Three Democratic representatives introduced House Bill 206 on Jan. 27 to wipe away up to 50% of debt owed by low-income customers in arrears who pay half of what they owe through payment plans they've worked out with electric, natural gas and water utilities.

Consumer advocacy and environmental organizations are backing the measure, introduced by Kristina Ortez of Taos, Andrea Romero of Santa Fe and Joanne Ferrary of Las Cruces.

The bill would also provide long-term relief by authorizing the state Public Regulation Commission to approve discounted rates for low-income families. And it would create an Energy Efficiency Development Block Grant program to provide local and tribal governments with money to retrofit homes in underserved communities to conserve energy and lower utility bills, Ortez said.

"The bill would have a direct, positive impact on families suffering under the pandemic," Ortez said. "There are families in every district around the state who would benefit."

The bill is now assigned to the House Consumer and Public Affairs Committee. But it could face opposition from some utilities and PRC members who say it may interfere with relief programs and policies the commission is already managing.

Since the pandemic started, the commission has maintained a moratorium on utility disconnections for all ratepayers who fall into arrears while the governor's emergency health orders remain in place. The PRC extended that order Feb. 3 for 100 days for public utilities like Public Service Co. of New Mexico, and 45 more days for smaller utilities and rural electric cooperatives.

Once the moratorium ends, the new order also imposes another 90 days for public utilities and 45 days for co-ops, as a "transition period" to arrange payment plans with indebted customers.

As of November, about 57,000 electricity customers and 27,000 natural gas consumers were in arrears, according to weekly reports that utilities have submitted

to the PRC. Electric customers collectively owed \$42.3 million and natural gas customers \$4.8 million.

The totals are higher. The PRC has only partial counts from electric co-ops and nothing from water companies, which are generally regulated by city and county governments.

### **PNM's concerns**

PNM alone reported nearly 46,000 past-due customers in early February, representing \$18.9 million in arrears. But it says the bill, while well-intentioned, could interfere with PRC programs and policies.

"We're concerned about the need for this bill, because it seems duplicative with certain recent PRC actions with the possibility of some negative unintended consequences," PNM spokesman Ray Sandoval said.

As vaccination efforts advance and the economy regains traction, programs mandated by the bill could soon be out of date, but since it would be law, nothing could be changed until next year's legislative session, Sandoval said.

Commissioner Joe Maestas said the PRC struggled to balance ratepayer and utility interests in its latest order, setting a final extension and transition period so as not to prolong a "blanket moratorium" indefinitely. Customers are struggling, but so are many utilities, Maestas said.

"Many smaller utilities are on the brink of laying people off," he said. "Many are deferring needed maintenance and are barely hanging on."

### **'Disconnection cliff'**

Bill supporters, however, say only the Legislature can authorize debt forgiveness. And that's critical for low-income households whose individual arrears now range from \$400 to \$1,000 and counting as the pandemic stretches on, creating a "disconnection cliff" that will kick in when the moratorium ends, said Gabe Pacyniak, a University of New Mexico associate law professor who helped draft the bill.

"Customers will have to pay off all their arrears or be disconnected," Pacyniak said. "... This gives low-income consumers time to pay their bills, plus assistance through debt forgiveness to dig themselves out of the hole they're now in."

Under the bill, low-income customers could get a three-month repayment period for every month in arrears, plus dollar-for-dollar forgiveness for each payment they make up to 50% of their total debt, said Ona Porter, clean energy leader for nonprofit Prosperity Works.

"Thousands of low-income New Mexicans face a huge energy burden," Porter said. "Many pay up to 20% to 25% of their monthly income on utility bills."

## **Recovering costs**

Utility write-offs would be recovered first with any federal, state or philanthropic funds available through COVID-19 programs. The remainder would then be eligible for inclusion in base rates paid by all ratepayers, said Tammy Fiebelkorn, New Mexico representative for the Southwest Energy Efficiency Project.

The bill also provides long-term assistance by amending the state Public Utility Act to allow the PRC to approve low-income discount rates for the first time. “Non-discrimination” clauses currently prohibit such special rates for a single class of ratepayers.

Maestas said the bill tries to do much, logrolling many different and potentially contentious measures like low-income discount rates into a single piece of legislation.

But not all commissioners agree.

“We need better policies to help low-income people,” said PRC chair Stephen Fischmann. “I’d love to see the Legislature address the issues in this bill. I don’t know if these are the ideal solutions, but we have to start somewhere.”

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