

# NEW MEXICO PUBLIC REGULATION COMMISSION

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**FOR IMMEDIATE RELEASE: June 19, 2007**

## PRC Puts Price on Carbon Emissions

SANTA FE – The New Mexico Public Regulation Commission on Thursday put a price on carbon dioxide emissions, requiring electric utilities to consider the cost of those emissions when planning how to supply energy to customers.

The Commission unanimously approved the new rule at the PRC's regularly scheduled public meeting Tuesday.

The carbon costs, which range from \$8 - \$40 per metric ton of carbon emissions, are not assessed to electric customers. Rather, electric utilities will be required to analyze the cost impact of carbon dioxide emissions at these prices when they create Integrated Resource Plans. These plans identify for utilities the most cost-effective portfolio of energy resources that can supply energy to customers. Beginning in 2008, state-regulated electric utilities will be required to submit the plans to the PRC every three years, and utilities will be expected to obtain and utilize energy sources that are consistent with those outlined in them.

As utilities decide on the most cost-efficient energy sources for their customers, carbon costs will allow for a fairer cost comparison between traditional fossil fuels, advanced fossil fuel plants with carbon sequestration, renewable energy and energy efficiency, District 1 Commissioner Jason Marks said following Tuesday's vote.

"These new resource planning rules, including the new carbon costs, give the PRC a powerful tool to direct future development away from the coal-fired electric generation plants that are huge sources of greenhouse gas emissions," Marks said.

"States need to continue to take the lead in reducing carbon emissions, because the federal government has been stalling on the issue," said Commission Chairman Ben R. Lujan. "I disagree with Sen. Domenici's apparent attempts to derail Sen. Bingaman's efforts in Congress to reduce carbon emissions."

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