

# SB 18

## Utility Affordability

### Projected Cost Impacts Under SB 18

Based on historical rate trends following recent policy changes, combined with publicly available utility planning assumptions, **SB 18 is expected to further increase residential and commercial electricity costs in New Mexico.**

While precise future rates will depend on implementation and infrastructure costs, reasonable projections can be made using existing utility filings, integrated resource plans, and national comparisons.

#### Baseline: Current Conditions

- 2019 average residential rate: ~9–10¢/kWh
- 2025 average residential rate: ~16¢/kWh
- Increase since 2019: 50–70%

#### This increase reflects:

- Securitization and transition costs
- Early coal plant retirements
- Renewable integration
- Transmission and reliability upgrades

**If SB 18 is enacted as proposed, additional costs are likely to result from:**

- Accelerated emissions compliance timelines
- Increased renewable and storage procurement
- Expanded transmission build-out
- Higher system balancing and reliability costs



**Based on comparable state policies and utility modeling assumptions, the following outcomes are likely:**

#### Scenario Estimated Residential Rate Average Monthly Bill\*

- Current (2025): ~16¢/kWh ~\$150
- Moderate SB 18 Impact: 18–20¢/kWh \$170–\$190
- High-Cost Scenario: 22–25¢/kWh \$205–\$235

*\*Assumes average residential usage of ~900–1,000 kWh/month.*

#### This represents:

- A **13–25% increase** under moderate assumptions
- A **30–45% increase** under high-cost scenarios
- A **doubling of rates** since 2019 in real terms

### Disproportionate Impact on Households and Employers

These increases would:

- Disproportionately affect low-income and fixed-income households
- Increase operating costs for agriculture, manufacturing, and small businesses
- Reduce New Mexico's competitiveness relative to neighboring states
- Shrink the tax base that funds education, healthcare, and infrastructure



**Importantly, these impacts would occur before accounting for additional federal compliance costs, carbon pricing exposure, or transmission cost overruns, all of which would further raise rates.**