

Oppose SB 18

Clear Horizons Act

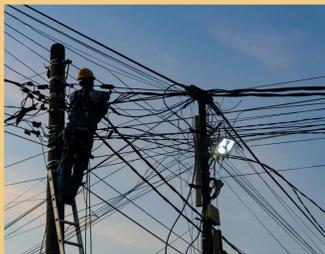
New Mexico's business community supports and practices meaningful, achievable efforts to reduce emissions and protect the state's natural resources. **SB 18 proposes mandates and timelines that would significantly increase costs across the economy while outpacing existing infrastructure capacity, undermining affordability and economic stability for New Mexicans.**

Rising Costs for Families and Consumers

SB 18 would increase costs for:

- Food and groceries due to increased transportation, storage, and refrigeration costs.
- Healthcare, manufacturing, and small businesses that rely on dependable, affordable power.
- Housing and construction through higher costs for energy-intensive materials and compliance requirements.

These cumulative impacts disproportionately affect working families, seniors, and rural residents who already spend a larger share of household income on basic necessities.



Utility Costs are One Component of a Larger Cost Burden

- In 2019, the average residential electricity rate in New Mexico was about 9–10 cents per kWh.
- By 2024/2025, that rate had increased to about 16 cents per kWh—a rise of more than 50% in five years.
- Much of this increase stems from securitization costs, accelerated plant retirements, and grid reliability investments.

SB 18 would add another layer of cost pressure on top of these increases, accelerating a trend that reduces affordability and economic competitiveness.

Infrastructure and Grid Restraints

SB 18's timelines do not align with current infrastructure capacity or economic realities.

- The electric grid lacks capacity to support rapid, large-scale electrification without major new investment.
- SB 18 does not provide a funding or implementation framework to support necessary generation, transmission, and storage expansion.
- Without those investments, compliance costs will be borne by consumers and employers through higher prices and reduced economic activity.



Conflict with New Mexico's Economic Priorities

SB 18 would undermine New Mexico's and the Governor's economic diversification goals by:

- Increasing operating costs for employers
- Discouraging capital investment
- Reducing job growth
- Shrinking the tax base needed to fund public priorities

Loss of Legislative Authority

SB 18 hands sweeping policymaking authority to regulators, not legislators.

- There are no cost caps, no affordability protections, and no requirement for legislative approval as rules expand. If targets are not met, agencies are required to impose more regulation automatically.
- This bill exposes the state to serious legal risks and creates regulatory uncertainty.
- There are no meaningful safeguards for energy reliability or affordability.



A modern economy depends on reliable energy, and emissions are an unavoidable byproduct of essential activities such as food production, healthcare, manufacturing, transportation, and mining. The shared policy challenge is reducing emissions in a way that is both environmentally responsible and economically sustainable.

New Mexico's businesses are pursuing emissions reductions in a way that is balanced, realistic, and economically responsible. SB 18 does not support or strike that balance.