

UNDEPRECIATED ASSET SECURITIZATION

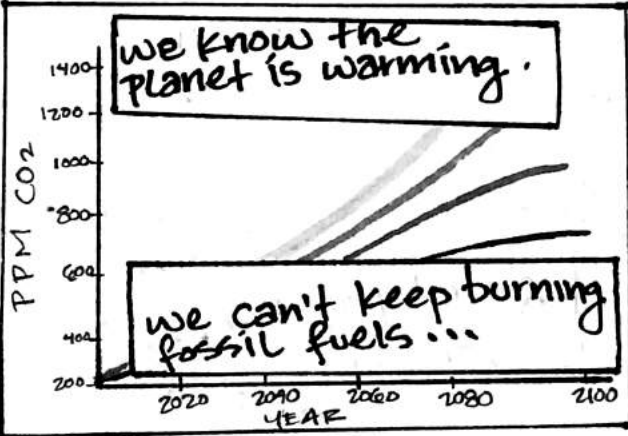


HOW UTILITIES ARE PLANNING
TO MAKE MONEY ABANDONING
FOSSIL FUELS AND FORCING ORDINARY
PEOPLE TO PAY FOR THE CLEAN-UP.

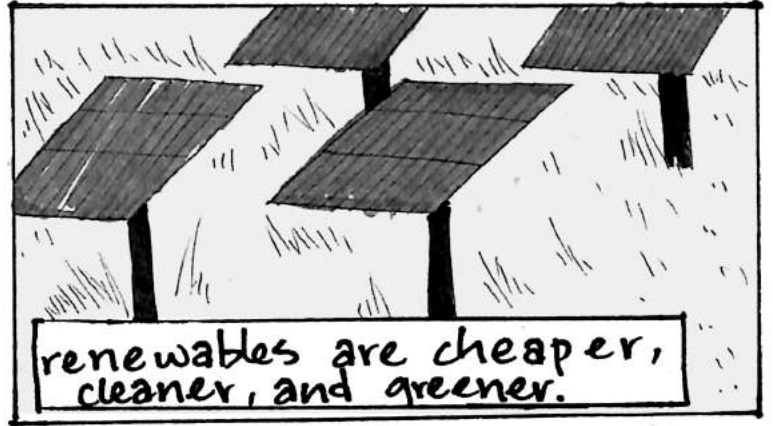
We're finally beginning to leave coal in the past.



We know the planet is warming.



We can't keep burning fossil fuels...



renewables are cheaper, cleaner, and greener.

But utilities invested in coal and nuclear

like the Public Service Company of New Mexico (P.S.N.M.)



are still trying to make as much money as possible



while the clean energy transition takes place.

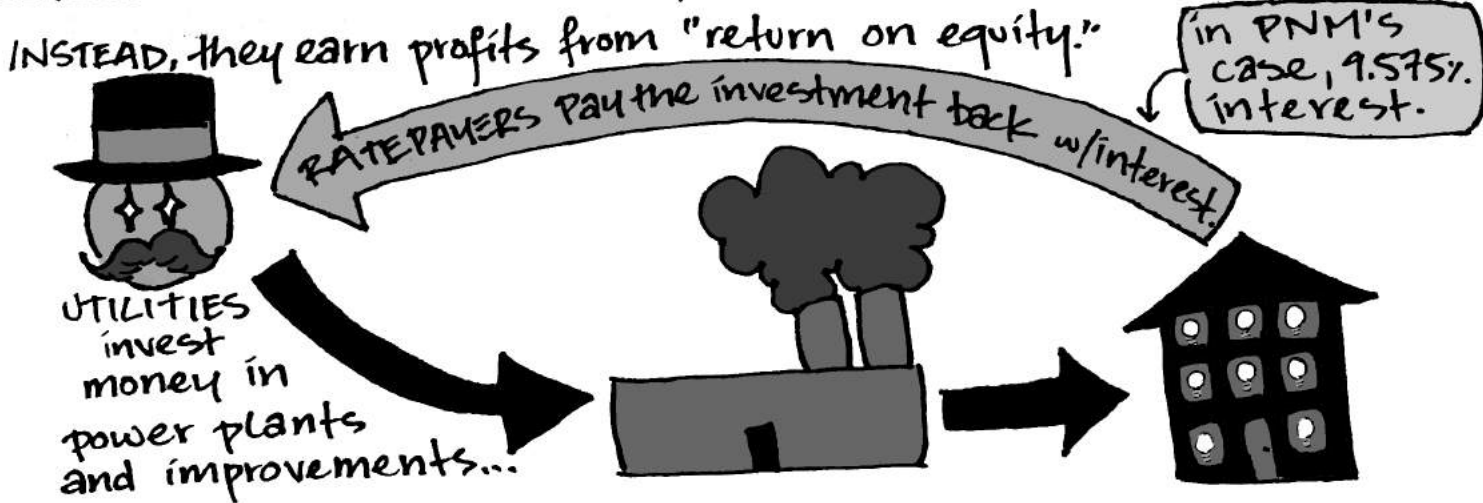
See, utilities think they are **OWED** profits, in exchange for being regulated.

HAND IT OVER

(Maybe you didn't know, but PNM is a for-profit corporation!)

utilities don't make money from profits on things like ...

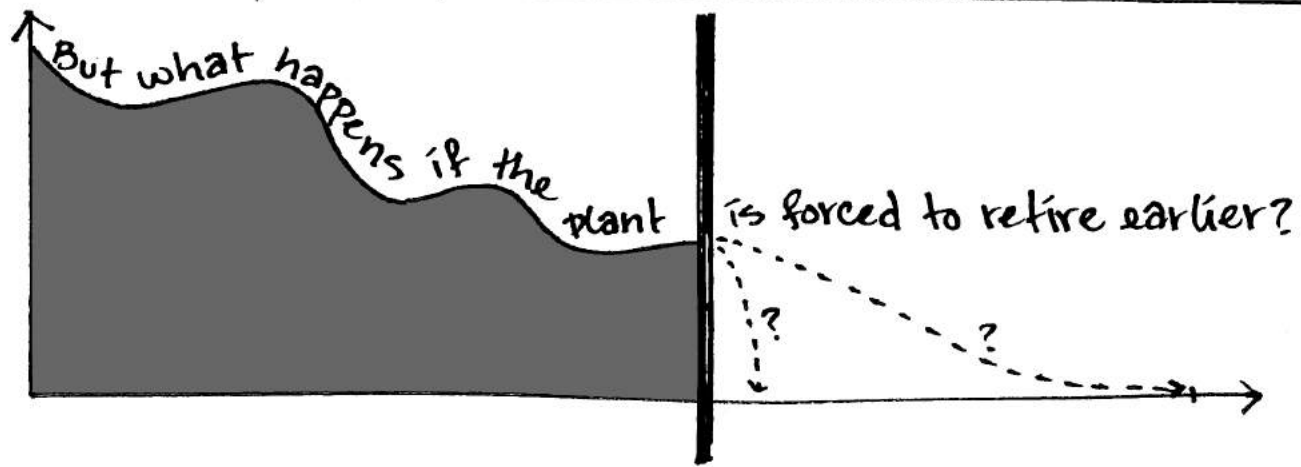
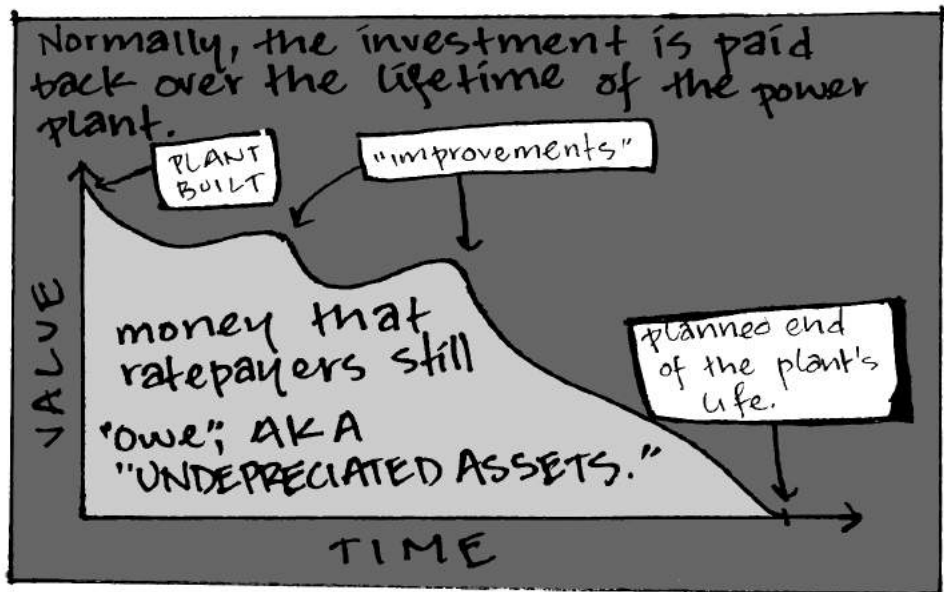
WORKERS' WAGES or **FUEL**



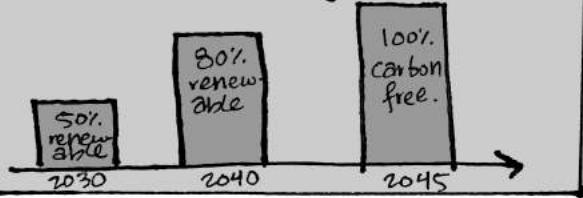
As you might imagine, this incentivizes utilities to make lots of unnecessary "investments,"

INVESTMENT	COST	PROFIT
new turbine	\$1M	\$95,750
new floor	\$200k	\$19,150

because ratepayers are stuck with the bill.



Now legislation like New Mexico's Energy Transition Act is forcing utilities to go green.



in exchange,

the bill allows utilities to "securitize" abandonment costs.

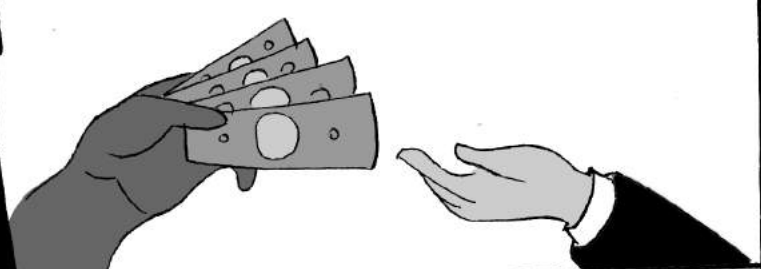
and ratepayers pay them back to the bond holders PLUS interest, "abandonment costs," and utility fees for 25 YEARS.

so when the plant closes early, these "undepreciated" investments are sold off as bonds on the stock market...



That's utility speak for "your car got totalled, and you still have to pay the loan off."

in fact, PNM claims that even if customers later go off the grid...



...they still owe these "energy transition charges."

worse, the ETA makes it so that the Public Regulation Commission can't verify or deny any "abandonment costs" utilities claim.



Commissioner Cynthia B. Hall



Commissioner Jefferson L. Byrd



Commissioner Valerie Espinoza



Commissioner Theresa Becenti-Aguilar



Commissioner Stephen Fischmann

the commission is supposed to hold utilities accountable...



"not just rubber-stamp their filings."

it kind of makes you wonder...

LEGISLATIVE CHAMBERS



CLOSED MEETING!!

"why would the legislature write the law like this?"

NORTH "THE FREE MARKET"

BAILOUT EXIT ONLY

This policy doesn't make sense.

if "the market" is supposed to weed out businesses that make bad financial choices (like ignoring climate change for decades) why should we bail utilities out?



New Mexico has a lot of BAD ENERGY to get rid of by 2045.

San Juan Coal Generating Station

\$300.1 MILLION

FOUR CORNERS COAL POWER PLANT

PALO VERDE NUCLEAR GENERATING STATION

LA LUZ GAS POWER PLANT

ratepayers shouldn't have to pick up PNM's tab.

FOR MORE INFORMATION AND WAYS
TO GET INVOLVED, PLEASE VISIT
NEWENERGYECONOMY.ORG.

SOURCES =

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- * Energy Transition Act, NMSA 2019 § _____, SB 489
- * New Mexico Public Regulation Commission, Case Numbers 19-00018-UT / 19-00195-UT