



Jeff Buell, governmental affairs coordinator for PNM, speaks to a crowd of legislators and business leaders at the Roswell Chamber of Commerce, Friday.

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[Energy providers oppose cap and trade](#)

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Business leaders and state and local lawmakers gathered in the Roswell Chamber of Commerce conference room, Friday, to discuss two petitions going before the State Environmental Improvement Board, which would regulate greenhouse gases.

A guest panel spoke to the group about the proposed regulations, economic implications should they become law and strategies for opposing them. Both of the new regulations could be approved by the EIB as early as the fall. The EIB consists of seven members whose responsibility is to regulate air and water quality. The board is appointed by Gov. Bill Richardson.

The first petition, which was submitted by the environmental organization New Energy Economy, would establish a limit on greenhouse gases. The five-page proposal is fairly simple, and would require large-scale polluters, such as refineries and oil and gas companies, to reduce emissions by 3 percent per year, for at least the next three years.

The second petition is a more comprehensive cap and trade program proposed by the New Mexico Environmental Department. As part of the proposed regulation, New Mexico would participate with six other western states and four Canadian provinces that are part of the Western Climate Initiative. The program involves a cooperative multi-state strategy to track and manage greenhouse gases in the western region.

"I think it's safe to say we oppose these two measures," said Jeff Buell, the governmental affairs coordinator for PNM, New Mexico's largest electricity provider. He said the new proposals would lead to higher electrical rates and job losses.

Sonia Phillips, manager of Xcel Energy's department of New Mexico governmental affairs, said the new regulations would likely raise the power rates of customers in New Mexico, significantly. "When it raises the rates of our customers in New Mexico, environmental development is impacted and people move outside the state," she said.

Buell and Phillips said that their respective companies support a cap and trade program on the national level, but oppose any kind of local, state or regional approach. This was a sticking point for several in the audience.

"You are in a fight for your corporate lives," said Rep. Dennis Kintigh, R-Roswell. "You need to understand who your enemy is. You need to understand who your allies are. You need to change your position. We will not be able, nor will we be inclined, to save you if you turn your backs on us. ... I suggest Xcel and PNM have a serious come to Jesus meeting with their board of directors. If you don't, don't come looking for help, at least from this legislator."

Bob Armstrong, the founder and president of Armstrong Energy Corp., said every consumer in the state would be affected by the new regulations. "New Mexico is reliant on oil and gas revenues — it's the largest contributor to the New Mexico state budget," he said.

Armstrong said companies affected by the new regulations may move to other states because of the increased cost of doing business. "I'm not saying that's where I'm going to go, but we have to look at that."

Candy Spence-Ezzell, R-Roswell, said the EIB lacks the authority to pass a cap and trade program. "The legislative body sets rules and regulations because, as the legislative body, we represent the people that elected us to serve, and the rule making and the regulation making that are going on in state agencies up there is driving the economy down," she said. "I think the people that live in New Mexico are entitled to jobs here — without government interference."

Supporters of the new regulations argue they would spark economic investments in renewable energy and in the process, create a new economic engine for the state. "We have investors who want to invest in clean energy, but they don't have the assurance that there's going to be a commitment to transition from fossil fuels to clean energy," said John Fogarty, president of New Energy Economy.

Mariel Nanasi, senior policy advisor of New Energy Economy, said that reduced emissions from fossil fuels such as coal, oil and gas would create healthier living conditions for New Mexicans because of better air quality and reduced mercury levels in bodies of water around the state. "If we actually embrace this change, New Mexico could lead the nation," she said.

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