

H Ward Camp Responses to NMPRC Questionnaire

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1. *New Mexico has the potential to be a leader in the region, delivering low-cost renewable resources to serve its citizens and the rest of the West, benefiting New Mexico's economy, ratepayers, and supporting grid reliability. What do you see as the role for a New Mexico Commissioner as it relates to regional discussions on power markets and interstate transmission; how are you best suited to engage in these regional forums?*

New Mexico should be an active participant (and I know many of the ISO personnel, competitive providers and utility representatives) in all relevant RTO and interstate transmission forums. Interstate transmission will be a key component in New Mexico's ability to transition to renewable energy on the timelines in the Energy Transition Act. I was an early participant in the creation of the Southwest Power Pool and have been involved in demand response issues in CA ISO, NE ISO, NYISO, and PJM. I would also hasten to add that FERC 2222 makes it imperative for the Commission to understand, participate and collaborate with other states and the FERC as to the integration and optimization of DER for New Mexico utility distribution systems and the interstate bulk power market.

2. *Competition between generators, whether utility or Independent Power Producer-owned, helps ensure the lowest cost, best suited resource is procured by electric utilities, ultimately resulting in the best deal for customers. What do you see as the role of a Commissioner in ensuring fair and transparent competition in resource procurement?*

As a starting point, where the competitive market can provide resources at a lower price, without New Mexico ratepayers bearing the market risk of a bad investment (*see* Vogtle nuclear plant in the Southeast US), that does not detrimentally impact reliability, or service to all ratepayers, the market should provide it. If both monopoly utilities and competitive providers can provide a service they must be able to fairly compete and a level playing field between the monopoly utility and competitive providers must be created. Our role, should be to determine if it is in the public interest whether the monopoly or the market should provide the resource and if both can provide, no unfair advantage is awarded to either party to skew or reduce benefits.

3. *What is the "public interest" in the context of utility regulation?*

I borrow from an NRRI article the following: **Statutes command utility regulators to protect the "public interest," which is indefinite and constantly changing. Originally, it meant restraining the monopoly power of utility companies. Regulators focused their activities on setting rates and establishing standards of service. Today, environmental and economic needs expand the public interest.**

I would say my view encompasses the traditional and includes legislative directives regarding the environment. Further, THE basis in New Mexico for rate-setting is fair, reasonable and just rates. Justice and reasonableness must take into consideration the socio-economic needs and levels of the public.

4. *What is the role of electric utilities in decarbonizing the economy and what is the Commission's role in overseeing that process?*

The utilities have an important role in decarbonizing their sector. The Commission will have an important role in examining and encouraging the expansion of the sector (*e.g.* beneficial electrification in other areas including the transportation sector*) and making sure the utilities are on track to meet the legislative objectives as enacted into laws (*e.g.* Energy Transition Act). Encouragement and enabling utilities usually occurs via approval

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of capital expenditures and rate-setting mechanisms. The Commission can only rule on the evidence and record created in the proceeding and the applicable law.

* I use the definition of beneficial electrification as : the application of electricity to end-uses where doing so satisfies at least one of the following conditions, without adversely affecting the others:

- Saves consumers money over time;
- Benefits the environment and reduces greenhouse gas emissions;
- Improves product quality or consumer quality of life;
- Fosters a more robust and resilient grid

5. *To what extent, if any, should rate-setting decisions of the PRC consider social, cultural, and environmental externalities? When, if ever, should social, cultural, and environmental externalities lead the PRC to approve rates higher than could be approved if such externalities were not considered?*

There are a number of externalities that always apply to utility rates: safety standards, electrical code standards, siting, *ad infinitum*. Certain “social and cultural” externalities have been embedded in rates. The PRC must consider the legislative mandates that may be based on climate and environmental concerns. In making sure the legislative timelines enacted are met rates may have to allow investments with “lumpy” cost and benefits *i.e.* the cost may first be incurred and the benefits show up much later. This is true of many foundational technologies that the utilities will incur in integrating higher levels of renewables *e.g.* AMI, DERMS, ADMS, DR, *et cetera*. The key will be understanding the long-range plans and goals and minimizing the negative (*i.e.* higher costs) by ensuring the investments will be a net benefit and phasing in the costs as much as possible to deliver maximum value. I would never approve if the benefits and value to customers does not exceed its cost.

Education requirements are almost always required for new programs and these are in essence “socio-cultural” costs. One cannot ignore the culture and socio-economic conditions of New Mexico rate payers if programs are to be successful and policy goals of the executive and legislative branches are to be achieved. Further, by its very nature rates are a “socialization” of costs and benefits and unfortunately, we know in hindsight, certain classes of ratepayers have “cross subsidized” others. In order for rates to be “just” it may be appropriate for rates to take into account socio-economic factors to rectify past unfair rates or to allow participation in new programs to increase public participation.

6. *Please discuss your views on governance and the appropriate roles of Commissioners and staff, appropriate levels of delegation and your expected level of involvement in the administration of the agency.*

I plan to be involved and “supervise and direct” as much as prudent without infringing on the prescribed duties of others. Much of the day to day matters should be handled by the Chief of Staff, *to wit*: The Chief of Staff is responsible for the day-to-day operations of the Commission staff under the direction of the Commission and serves at the pleasure of the Commission. The Chief of Staff serves as the most senior non-elected position and primary advisor and administrator to the Commissioners. Generally speaking the duties of Staff are to: identify, research and advise the Commission on issues before or that may come before the Commission; assist the Commission in the development and implementation of rates, policies and programs; and perform such other duties as prescribed by the Commission.

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7. *As you evaluate issues before the PRC which of the following factors do you view as most important and why?*

- *Portfolio standards/ energy mix*
- *Climate change*
- *Reliability*
- *Flexibility*
- *Sustainability*
- *Affordability*
- *Grid capability/stability*
- *Scalability of technology*
- *Promoting new technologies*
- *Eliminating certain energy sources from New Mexico's portfolio*
- *Social justice for frontier communities*
- *Maintaining New Mexico's ability to produce the energy it needs in New Mexico i.e., keeping New Mexico as energy-self-sufficient*

See answer to 8

8. *In what order would you rank each factor? Are there other factors that would influence your decisions?*

My highest factor is **Fair, Just, Reasonable** rates that enable the utility to serve the public interest.

Affordability is implicit in fair and reasonable rates so a decision resulting in unaffordable rates would be the highest factor in my decision. **Social justice for frontier communities** is also embedded in the mandate to impose just rates. I would expand that to **ALL** ratepayers segments, especially low-income, POC or other historically disadvantaged groups as all must be entitled to just rates and as part of fair, just and reasonable rates is the highest factor.

Reliability, Flexibility, Grid/Capability/Sustainability (and I would add **Cybersecurity, Resiliency, Robustness and Resource Adequacy**) are all attributes necessary of a modern grid to provide the essential service of electricity provision so they are extremely high factors in approving anything related to grid modernization et cetera.

Climate Change *per se* is not a mandated or legislatively enacted factor, however it is the impetus for the Energy Transition to renewable energy. As such, the legislative and executive directives that devolve from the issue of Climate Change must guide my decision. Likewise the Legislature has spoken regarding the replacement of certain energy source with other sources, as the Commissioner the duty is to implement the law not legislate so compliance with laws may require **eliminating certain energy sources**. I again note beneficial electrification, I would look at a program addressing climate change if it met the same criteria as beneficial electrification.

Scalability of technologies and I would add (**Interoperability, Data Access, Ease of Integration, ability to Interface with other systems**) are critical factors in approving any capital expenditure. Ignoring these factors

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could result in a “cheaper” but, dead end solution that will not accomplish where we need to be in 2050. I will never promote New Technologies for the sake of new technology, only when it serves the above grid needs and helps in affordability, customer choice and attaining state-wide goals.

Portfolio Standards/Energy Mix are key to **Sustainability, Reliability, Flexibility** and attaining the expressed **Energy Transition goals** engendered in whole or in part by **Climate Change**. I will support Portfolio Standards and Net Metering rules that helps **New Mexico be energy self-sufficient**.

One other factor I would add is **Customer Empowerment, Convenience and Satisfaction**. I will consider many of the above especially **New Technologies** if they foster education about energy usage, empower and enable New Mexicans to conveniently use energy (and water) in a more efficient, optimized and affordable manner.

9. *Is there a state whose energy regulatory policies that you believe New Mexico should emulate? If so, which one and why?*

I don't have any state to emulate in terms of policy. I think Colorado has some worthwhile processes in implementing its regulations that should be studied by the Legislature. I do think New Mexico will see a lot of “Grid Modernization” initiatives and I think we should emulate the Ohio's “Grid Forward” process to achieve a holistic, comprehensive vision of what grid modernization technologies can achieve and how they enable our energy transition.

10. *Briefly describe your experience in the development or implementation of regulatory policy.*

I have been involved directly (*i.e.* testifying, chairing work groups *et cetera*) for California Direct Access Rules, Illinois Competitive Metering and Billing Rules. Participated in workgroups and briefed Commissioners and Staff on the NY Reforming the Energy Vision proceeding. Also, chaired metering subcommittee in Nevada when it was contemplating a competitive retail model. Participated and briefed Staff at PUC Texas on rules around metering and whether it should be a monopoly or competitive service. Testified in front of Texas legislature and PUCT Commission on same. Provided information to Alberta Utility board in AMI rules proceeding. Participated in regulatory workshops resulting in electricity tariff or rule changes in AZ, PA, NJ, NY, NH, CA, IL, LA, TX and AB (Alberta)

11. *New Mexico has 23 distinct sovereign Native American tribes within its borders. Please explain your familiarity with the State - Tribal relationship with an emphasis on how this relationship is applicable to utilities including power generation, right of ways and alternative energy?*

At the outset, tribal sovereignty and rights and obligations are primarily derived from US treaties and Federal laws and must be respected. I have attended conferences on tribal energy matters and know much of the funding for energy generation/alternative energy are funded through BIA and DOE. That being said, I believe it is incumbent in the NMPRC as a state agency to listen, understand and collaborate with the Tribes to achieve congruent goa

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The focus of these questions has been electric but, to the extent possible under the Commission's authority, the Commission should work to make sure that the Tribes and other remote communities have access to broadband and clean, adequate water.

12. *The Public Regulation Commission is a regulatory body. Often the line between regulation and policy can get blurred. Please explain your view as to where the line between regulation and policy is and actions and or ideas you would bring to the Commission to help maintain the focus on regulation.*

Great question, one person's regulatory action is another's policy change. I can only say I look first to the enacting legislation for the NMPRC, second to any binding legislative or executive rule, law or order and finally, to the facts and evidence presented in a proceeding to make my decision.

13. *What is the most consequential action or decision of the PRC in the last twenty years? Why?*

I can't name one, these three jump out.

Retail Choice -- At the turn of the millennia, the Commission decided that NM would continue under the regulated monopoly system as opposed to full retail competition and that must be considered as one of the most consequential decision. In looking at Ohio, Pennsylvania, Illinois and Texas all have flavors of retail choice - some more successful than others. If we had a Texas model, the utility would not have retail customers. That would have dramatically changed how we regulate the utility and its distribution system.

Net Metering – The decision to allow rooftop solar has been a game changer and is causing many ratepayers of all classes (C&I, small business and residential) to look at energy self-sufficiency and is causing a paradigm shift within utilities. Maybe, the sleeving arrangements of Amazon at Los Lunas should be included.

Renewable Portfolio Standards – The imposition of RPS has caused utilities to dramatically change how they look at and justify resources. Demand side resources were historically ignored by utilities.

14. *In the last twenty years, has the PRC exceeded its authority? Please explain when and how.*

I think the Supreme Court has decided that the NMPRC did exceed its authority in the matter of the San Juan coal plants. . The NMPRC attempted to retain expansive old jurisdictional authority versus the more restricted authority under the new Energy Transition Act and was ruled to be incorrect in its assertion of authority.