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## Energy Policies Freezing Out Poor

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We have all felt the pinch of increasing gas rates. Many of us have turned down the thermostat at home or put a sweater on against the chill.

For people who live on low fixed incomes, the rise in home energy prices has a severe impact. Some of these people close off parts of their home in an attempt to stay affordably warm in one or two rooms. Some try to get by with candlelight and dangerous alternative heating methods. Some forgo medicine, medical treatment or food to pay their bills.

When these coping strategies fail, and families cannot pay their utility bills in full, they are faced with disconnection. Disconnection leaves many of these vulnerable families just one step away from homelessness or the onset or escalation of serious medical conditions.

These are not isolated situations. About one-third of New Mexico households are low income and have a member who is elderly, disabled or under 6 years of age.

The Public Service Company of New Mexico recently filed for a 13.6 percent increase in residential electric rates. It is understandable that as business costs rise the prices that consumers pay will rise, too. But no one expects incomes to rise at the same rate, so the problem of unaffordable home energy will deepen.

Without a rate increase we have a \$150 million annual energy affordability gap in our state. And our historical methods of addressing that gap, while important, barely scratch the surface.

Take, for example, a very good year— 2005 when the Legislature allocated \$20 million for bill assistance on top of approximately \$10 million in Low Income Energy Assistance Program funds that the federal government provides annually to our state. Being generous, I'll say that there was another \$1 million available in emergency assistance from things like the Good Neighbor Fund. In that very good year with that \$31 million pot, we had \$119 million in unmet need.

Those figures express the scope of the problem statewide, but another way to see it is family by family. This year 200,000 low-income households in New Mexico will spend an average of \$1,470 for all their energy bills and will have to use nearly 19 percent of their income to do so. If a household with an income of \$50,000 had a comparable energy burden, it would spend nearly \$10,000 on energy costs each year.

And now, we find ourselves at the crossroads of some very tough decision making with rising prices, fixed and flat incomes and an affordability gap that is largely untouched by current policies and practices. And at that crossroad we are only served by understanding that the outcomes of our decision making will reflect who we are, what we collectively care about and what we want our state to be.

In the short term, our solutions are in the hands of the legislators. Energy efficiency, weatherization and conservation measures are effective ways to make energy bills more affordable for low-income households that need more than token support. Consumer protections also must be maintained, and state-funded LIHEAP expanded.

Additionally, the Public Regulation Commission (PRC) should be given the authority to

consider how the needs of low-income households will be addressed when rates are being established.

In the long term, it is essential to leave behind the slug-fest policy making that is both costly and unproductive and move toward a commitment by the PRC, legislators, utility companies and consumer advocates to work together for a secure, safe, clean and affordable energy future.

We need a new energy economy that capitalizes on our state's rich resources, creates extensive efficiency programs, utilizes innovative rate design, and fully implements payment plans that can serve us all.

As we consider the challenge and opportunities inherent in this dilemma, perhaps we should look to the late Sen. Paul Wellstone's statement, "We all do better, when we all do better" as a starting point. In that, I find that fair profits, fair rates and affordability for the provision and consumption of an essential commodity— home energy— are not mutually exclusive. Neither is the well being of business or the customers and communities it serves.

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