



New Mexico State Senate
State Capitol
Santa Fe

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- Tax, Business & Transportation
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SENATOR WILLIAM E. SHARER

MINORITY FLOOR LEADER

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February 3, 2026

Honorable Senators and Representatives
New Mexico Legislature
Santa Fe, NM 87501

RE: SB 18 – Clear Horizons Act

Honorable Members of the Legislature,

SB 18 will devastate the New Mexico economy and our state's ability to diversify.

Included is a letter from 134 trades, associations, chambers, individual businesses, cities, counties, and school districts who oppose the bill. These organizations represent thousands of New Mexicans who share concerns about the bill and how it will affect our state.

Thank you for joining me in voting against this bill.

Respectfully,

A handwritten signature in black ink, appearing to read "William Sharer".

William Sharer
State Senator, District 1
Senate Minority Floor Leader



February 3, 2026

Honorable Senators and Representatives
New Mexico Legislature

RE: Opposition to Senate Bill 18 – Clear Horizons Act

Honorable Members of the Legislature,

On behalf of New Mexico employers across multiple industries – and the workers and families who depend on them – we respectfully urge you to vote **NO** on Senate Bill 18, the 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 & Consumers

Energy is a foundational input for nearly every sector of the economy. When energy costs rise, the impact is not isolated to utility bills—it ripples through the cost of goods and services paid by households and small businesses statewide.

SB 18 would contribute to higher costs in:

- Food and groceries due to increased transportation, storage, and refrigeration costs.
- Housing and construction through higher costs tied to energy-intensive materials and compliance requirements.
- Healthcare, manufacturing, and small businesses that rely on dependable, affordable power.
- Transportation and logistics, particularly affecting rural communities and supply chains.
- 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

Electricity prices across the country illustrate this broader trend:

While New Mexico's utility rates remain below the national average, states that adopted more aggressive mandates earlier—such as California, Hawaii, New York, and Massachusetts—now face residential rates

exceeding **30 cents per kilowatt-hour**, demonstrating the long-term cost trajectory of similar policies.

A trajectory New Mexico has already begun:

- Under current utility law, there are allowances for the consideration of affordability and reliability off-ramps to protect customers when selecting new generation resources. SB 18 does not have that same protection for customers, potentially exposing customers to substantial cost increases.
- In 2019, the average residential electricity rate in New Mexico was approximately **9–10 cents per kilowatt-hour**.
- By 2024–2025, that rate had increased to approximately **16 cents per kilowatt-hour**—a rise of more than **50 percent in five years**.
- By 2045, one utility alone will require nearly 6.5GW of additional non-emitting resources to serve NM customers, which under the SB 18 scenario, would cost customers \$5.5 billion more, on a net present value basis, from 2031 to 2045.
- 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 Constraints

New Mexico businesses are actively investing in emissions reductions and efficiency improvements. However, SB 18's timelines do not align with current infrastructure capacity or economic realities.

- The electric grid lacks the 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

The State of New Mexico has identified economic diversification, workforce growth, and affordability as top priorities. The Governor's proposed investments in childcare, housing, infrastructure, and advanced industries depend on a strong private sector economy.

SB 18 would undermine these goals by:

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

SB 18 will not create market certainty for any sector, drive innovation, protect and promote quality jobs, or allow New Mexico to remain competitive at a global level.

Loss of Legislative Authority

SB 18 hands sweeping policymaking authority to regulators, not legislators. The bill allows the Environment Department and Environmental Improvement Board to decide how the state meets climate targets, the industries that will bear the burden, and what compliance looks like—without meaningful legislative guardrails.

- 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 shifts major economic decisions out of the Legislature.
- The bill exposes the state to serious legal risks. Courts have repeatedly struck down laws that delegate this level of authority without clear standards.
- It creates regulatory uncertainty. Overlapping authority, unclear compliance rules, and the ability to change requirements every two years make long-term planning and investment more difficult and more expensive.
- There are no meaningful safeguards for reliability or affordability. Unlike existing energy laws, SB 18 does not require regulators to prioritize grid reliability, cost containment, or economic competitiveness.

SB 18 doesn't just set climate goals—it transfers lawmaking authority to unelected regulators without limits or accountability.

Conclusion

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.

Experience shows emissions are reduced most effectively through innovation and infrastructure investment, not mandates that outpace technological or grid capacity. When policies move too quickly, they risk increasing costs, reducing reliability, and shifting production to other states or countries with weaker environmental standards—ultimately undermining both economic competitiveness and global emissions goals. A balanced approach prioritizes achievable reductions while protecting affordability, reliability, and long-term economic stability.

SB 18, though well-intentioned, would impose broad economic costs. It would raise prices across the economy, strain household budgets, and weaken New Mexico's ability to compete for jobs and investment.

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.

For these reasons, we respectfully urge you to vote **NO** on Senate Bill 18.

Signed,





IT ALL HAPPENS HERE.





NAGEEZI CHAPTER
Eastern Navajo Agency District 19



National Waste
& Recycling Association
New Mexico Chapter

