

Solar Panels/Rates: Federal Judicial Challenge Filed Alleging PURPA Violation by New Mexico Utility



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08/20/2019

Several New Mexico citizens and a non-profit organization filed a Complaint for Declaratory and Equitable Relief (“Complaint”) in the United District Court for the District of New Mexico against the City of Farmington, New Mexico, D/B/A Farmington Electric Utility System (“System”) alleging a:

. . . failure to implement its obligations under federal law not to discriminate through electricity rates against customers who own solar generation.

The Complaint alleges a violation of the Public Utility Regulatory Policies Act of 1978 (“PURPA”) arguing that the System established unreasonable and discriminatory rates for electricity service for customers who offset some of their electricity purchases with their own solar generation.

The Defendant is described as the owner and operator of a municipal electric utility in Farmington, New Mexico.

The Farmington City Council is stated to have adopted a set of new “Standby Service Riders” that included a “monthly standby charge” for residential and small general service solar customers. The solar customer’s monthly standby charge is stated to depend on the size of the customer’s generating equipment. This is determined based on kilowatts and whether the customer’s solar panels are fixed or pivot to track the sun.

The Standby Service Riders are alleged to charge solar customers more for the same level of service as non-solar customers. The components (i.e., allegations) of the Complaint include:

- PURPA Prohibits Discriminatory Rates Imposed on Customers with their Own Solar Generation
- The System’s Standby Service Riders Are Not Based on Accurate Data Showing a Difference Between Solar and Non-Solar Customers
- The Standby Charges Are Based on Inaccurate Assumptions and Calculations to Synthesize Usage Information in Lieu of Actual Accurate Data
- The Standby Charges Are Not Based on Consistent Systemwide Costing Principles

A copy of the Complaint can be downloaded [here](#).