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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Soules LAST UPDATED _____ HB _____

SHORT TITLE Community Solar as Distributed Generation SB 394

ANALYST Clark

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 394 (SB 394) amends Section 62-13-13.1 NMSA 1978 of the Public Utility Act to provide for community solar facilities no larger than 10 megawatts to qualify as distributed generation facilities. These facilities shall not be subject to the jurisdiction, control, or regulation of the Public Regulation Commission. The bill provides that a community solar facility may be owned by a customer of a public utility or by a third party. The public utility shall purchase renewable energy certificates from the owner of the community solar facility or third party at rates established in the utility's renewable procurement plan. The bill also provides definitions for "community solar facility," "community solar subscriber," "subscription," and "subscription share."

FISCAL IMPLICATIONS

There are no significant fiscal implications.

SIGNIFICANT ISSUES

The Energy, Minerals and Natural Resources Department (EMNRD) provides the following

information in its analysis.

The Public Utility Act currently allows third-party renewable energy developers to provide utility customers with renewable energy distributed generation systems that are not public utility operations. A renewable energy distributed generation facility produces electric energy by the use of renewable energy and supplies up to certain levels of energy at a host site. Community solar facilities are subscription-based renewable energy developments that consolidate the solar systems of multiple utility customers into one location at the site of the solar plant.

The Act creates an opportunity for developers to offer financed renewable energy systems that may provide up to 120 percent of the utility customer's load. SB 394 supports an additional niche opportunity for community solar facilities. These are growing across the U.S. There are public utilities, utility customers, and third-party developers in New Mexico who are currently working on the community solar facility concept. SB 394 would enable all utility customers to participate in solar energy generation, either directly through their own resources (e.g., home rooftop space) or through a subscription-based service (where offered by utilities or developers).

ADMINISTRATIVE IMPLICATIONS

There are no significant administrative implications; however, the EMNRD will encourage governmental entities to work with the EMNRD Energy Conservation and Management Division to subscribe to a community solar facility. The EMNRD notes that there will be additional activity under the Public Facility Energy Efficiency and Water Conservation Act if governmental entities such as state agencies, public schools, municipalities, and universities become members of community solar facilities. The expectation for additional activity under the act is due to the allowance by the act for private financing of energy conservation measures, including solar, for public buildings.

JC/svb