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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/13

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE School District Renewable Energy Program SM 46

ANALYST Leger

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		*See Fiscal Implications		*See Fiscal Implications		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Memorial 46 proposes the Energy, Minerals and Natural Resources Department (EMNRD) and the Public Education Department (PED) to work with school districts to develop plans for renewable energy and energy efficiency programs in school districts with membership of less than 300 students.

FISCAL IMPLICATIONS

The EMNRD states they are currently providing technical assistance to school districts for similar existing programs in statute.

The PED projects savings could be significant for small school districts and free up operation funding. Photovoltaic systems can save money on electric utility costs, stimulate green energy jobs in the communities, and support clean energy education in New Mexico schools.

PERFORMANCE IMPLICATIONS

The EMNRD reports, investment grade energy audits have been performed for school buildings in the following school districts named in the memorial: Carrizozo, Dora, Elida, Floyd, Grady,

House, Logan, and San Jon. Logan is the sole district pursuing funding and to implement the audit results. In addition, Carrizozo, Corona, and Elida received federal stimulus funding to install 50 kilowatt solar photovoltaic systems at their schools.

Additionally, other school districts around the state received stimulus funds for clean energy projects. Fort Sumner Municipal Schools upgraded its lights and heating/cooling equipment. Five Lordsburg school buildings have new lighting equipment, as do buildings and gymnasiums in the Cloudcroft, Lovington, Dexter, Roy school districts. Silver City schools insulated roofs, put in a solar hot water system, and installed an energy management system and Clovis became the first to install LED tubes in two of its buildings.

ADMINISTRATIVE IMPLICATIONS

The EMNRD states staff time is available to meaningfully implement the memorial.

According to the PED staff does not have the expertise or qualified personnel to develop these types of energy efficiency plans within school districts, but is willing and able to facilitate contact with and participate in introductory meetings and follow-up to provide support to districts. The workload for staff to actively partner with the EMNRD cannot be absorbed by the PED at this time. The Department could provide resources on a temporary basis if needed but it appears the Public Schools Facilities Authority (PSFA) is a more appropriate agency to partner with the EMNRD since they have staff in the field on regular basis.

OTHER SUBSTANTIVE ISSUES

The PED suggests the PSFA be included in planning as they are the state agency responsible for providing master planning assistance, reviewing projects for state code compliance and compliance to the Public School Capital Outlay Council adequacy standards, developing and maintaining adequacy standards, planning guidelines, building standards, and supporting and maintaining the statewide Facility Assessment Database used to monitor and rank school facility conditions statewide.

ALTERNATIVES

New Mexico's Energy Efficiency and Renewable Energy Bonding Act, enacted in 2005, authorizes up to \$20 million in bonds to finance energy efficiency and renewable energy improvements in state government and school district buildings. At the request of a state agency or school district, the EMNRD will conduct an energy assessment of a building to determine specific efficiency measures which will result in energy and cost savings. A state agency or school district may install or enter into contracts for the installation of energy efficiency measures on the building identified in the assessment. An installation contract may be entered into for a term of up to 10 years. The bonds are exempt from taxation by the state, and any type of renewable energy system and most energy efficiency measures, including energy recovery and combined heat and power systems, are eligible for funding. Projects financed with the bonds will be paid back to the bonding authority using the savings on energy bills. School districts can also enter into contracts with private vendors to implement energy efficient improvements pursuant to the "Public Energy and Water Conservation Act" (6-23-1 NMSA 1978).