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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 78

SHORT TITLE: Nuclear Energy as Renewable Energy

SPONSOR: Reps. Dixon, Brown and Sens. Thornton, Tobiassen

LAST UPDATE: _____ **ORIGINAL DATE:** 1/23/2026 **ANALYST:** Rodriguez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 39

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Public Regulation Commission

Agency or Agencies That Were Asked for Analysis but did not Respond

Energy, Minerals and Natural Resources Department

Agency or Agencies That Declined to Respond

New Mexico Environment Department

SUMMARY

Synopsis of Senate Bill 78

Senate Bill 78 (SB78) amends the Rural Electric Cooperative Act (Chapter 62, Article 15) and the Renewable Energy Act (Chapter 62, Article 16) to include nuclear power facilities in the definition of renewable energy resources. The bill defines such facilities as those that generate electricity through nuclear reactions—either fission or fusion—and that do not emit carbon dioxide or other greenhouse gases.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

SB78 does not have any fiscal implications.

SIGNIFICANT ISSUES

SB78 adds nuclear energy as renewable energy in the Renewable Energy Act and Rural Electric Cooperative Act. By doing so, the bill would allow public utilities and rural electric cooperatives to include nuclear energy in its electric energy supply portfolio to meet the renewable portfolio standard (RPS) requirements. As outlined in existing statute, the next milestone for public utility companies is to have no less than 50 percent of total retail sales of electricity to New Mexico be from renewable energy by January 1, 2030.

SB78 permits the use of nuclear energy from either nuclear fission or fusion. While current nuclear power plants generate energy through fission, the development of fusion technology for energy production is still in progress.

Finite Inputs. As noted by the Public Regulatory Commission (PRC), nuclear generation is generally considered zero-emitting during operation, it is not typically considered renewable because fuel inputs, uranium, are finite. The definitional change may raise policy concerns about whether the RPS is intended to promote renewable resource development specifically, or broader zero-emission generation.

Usage. According to the U.S. Nuclear Regulatory Commission, no operating nuclear reactors are located in New Mexico. However, some utility companies receive a portion of their electricity from nuclear power. For example, the Public Service Company of New Mexico (PNM) and El Paso Electric (EPE) each own a share of the Palo Verde Nuclear Generating Station in Arizona, the largest nuclear power plant in the U.S. PNM's share provides roughly 288 MW of electricity, while EPE's portfolio includes 665 MW of nuclear capacity from its portion of Palo Verde.

New Mexico does have an active fuel cycle facility—Louisiana Energy Services, which is operating a gas centrifuge uranium enrichment facility in Eunice—and an active license for International Isotopes to construct a deconversion facility in Hobbs. The facility operated by Louisiana Energy Services is a commercial uranium enrichment facility that increases the concentration of the uranium-235 isotope in uranium so it can be used as fuel for nuclear power plants.

ADMINISTRATIVE IMPLICATIONS

If the bill is enacted, the PRC noted that the agency may receive inquiries from utility companies regarding required documentation, proof standards, and the auditing process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 39 that also addresses renewable portfolio standards.