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AN ACT

RELATING TO UTILITIES; ALLOWING RENEWABLE ENERGY CERTIFICATES TO BE ISSUED FOR THE USE OF THERMAL ENERGY PRODUCED BY GEOTHERMAL ENERGY SOURCES; SETTING STANDARDS FOR MEASUREMENT OF THERMAL ENERGY AND GEOTHERMAL HEAT PUMPS; DEFINING "USEFUL THERMAL ENERGY".

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 62-15-35 NMSA 1978 (being Laws 2007, Chapter 4, Section 2) is amended to read:

"62-15-35. RENEWABLE ENERGY CERTIFICATES--COMMISSION DUTIES.--The public regulation commission shall establish:

A. a system of renewable energy certificates that can be used by a distribution cooperative to establish compliance with the renewable portfolio standard and that may include certificates that are monitored, accounted for or transferred by or through a regional system or trading program for any region in which a rural electric cooperative is located. The kilowatt-hour value of renewable energy certificates may be varied by renewable energy resource or technology; provided that:

(1) each renewable energy certificate shall have a minimum value of one kilowatt-hour for purposes of compliance with the renewable portfolio standard;

(2) three thousand four hundred twelve

1 British thermal units of useful thermal energy is equivalent
2 to one kilowatt-hour for purposes of compliance with the
3 renewable portfolio standard; and

4 (3) the following equation shall be used to
5 calculate the annual renewable energy certificate value for a
6 geothermal heat pump system: (coefficient of performance of
7 heat pump unit - 1) X (ton rating of heat pump unit/.9) =
8 number of megawatt-hours of renewable energy certificates;
9 and

10 B. requirements and procedures concerning
11 renewable energy certificates that include the provisions
12 that:

13 (1) renewable energy certificates:

14 (a) are owned by the generator of the
15 renewable energy unless: 1) the renewable energy
16 certificates are transferred to the purchaser of the energy
17 through specific agreement with the generator; 2) the
18 generator is a qualifying facility, as defined by the federal
19 Public Utility Regulatory Policies Act of 1978, in which case
20 the renewable energy certificates are owned by the
21 distribution cooperative purchaser of the renewable energy
22 unless retained by the generator through specific agreement
23 with the distribution cooperative purchaser of the energy; or
24 3) a contract for the purchase of renewable energy is in
25 effect prior to January 1, 2004, in which case the renewable

1 energy certificates are owned by the purchaser of the energy
2 for the term of such contract;

3 (b) may be traded, sold or otherwise
4 transferred by their owner to any other party; provided that
5 the transfers and use of the certificate by a distribution
6 cooperative for compliance with the renewable energy
7 portfolio standard shall require the electric or useful
8 thermal energy represented by the certificate to be
9 contracted for delivery or consumed, or generated by an
10 end-use customer of the distribution cooperative in New
11 Mexico unless the commission determines that the distribution
12 cooperative is participating in a national or regional market
13 for exchanging renewable energy certificates;

14 (c) that are used for the purpose of
15 meeting the renewable portfolio standard shall be registered,
16 beginning January 1, 2008, with a renewable energy generation
17 information system that is designed to create and track
18 ownership of renewable energy certificates and that, through
19 the use of independently audited generation data, verifies
20 the generation and delivery of electricity or useful thermal
21 energy associated with each renewable energy certificate and
22 protects against multiple counting of the same renewable
23 energy certificate;

24 (d) that are used once by a
25 distribution cooperative to satisfy the renewable portfolio

1 standard and are retired or that are traded, sold or
2 otherwise transferred by the distribution cooperative shall
3 not be further used by the distribution cooperative; and

4 (e) that are not used by a distribution
5 cooperative to satisfy the renewable portfolio standard or
6 that are not traded, sold or otherwise transferred by the
7 distribution cooperative may be carried forward for up to
8 four years from the date of issuance and, if not used by that
9 time, shall be retired by the distribution cooperative; and

10 (2) a distribution cooperative shall be
11 responsible for demonstrating that a renewable energy
12 certificate used for compliance with the renewable portfolio
13 standard is derived from eligible renewable energy resources
14 and has not been retired, traded, sold or otherwise
15 transferred to another party."

16 SECTION 2. Section 62-15-37 NMSA 1978 (being Laws 2007,
17 Chapter 4, Section 4) is amended to read:

18 "62-15-37. DEFINITIONS--ENERGY EFFICIENCY--RENEWABLE
19 ENERGY.--As used in the Rural Electric Cooperative Act:

20 A. "energy efficiency" means measures, including
21 energy conservation measures, or programs that target
22 consumer behavior, equipment or devices to result in a
23 decrease in consumption of electricity without reducing the
24 amount or quality of energy services;

25 B. "renewable energy" means electric or useful

1 thermal energy:

2 (1) generated by use of low- or
3 zero-emissions generation technology with substantial
4 long-term production potential; and

5 (2) generated by use of renewable energy
6 resources that may include:

7 (a) solar, wind and geothermal
8 resources;

9 (b) hydropower facilities brought in
10 service after July 1, 2007;

11 (c) fuel cells that are not fossil
12 fueled; and

13 (d) biomass resources, such as
14 agriculture or animal waste, small diameter timber, salt
15 cedar and other phreatophyte or woody vegetation removed from
16 river basins or watersheds in New Mexico, landfill gas and
17 anaerobically digested waste biomass; but

18 (3) does not include electric energy
19 generated by use of fossil fuel or nuclear energy; and

20 C. "useful thermal energy" means renewable energy
21 delivered from a source that can be metered and that is
22 delivered in the state to an end user in the form of direct
23 heat, steam or hot water or other thermal form that is used
24 for heating, cooling, humidity control, process use or other
25 valid end-use energy requirements and for which fossil fuel

1 or electricity would otherwise be consumed."

2 SECTION 3. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2015. _____

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