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FISCAL IMPACT REPORT

SPONSOR McCamley **ORIGINAL DATE** 12/15/14
LAST UPDATED 1/29/15 **HB** 14

SHORT TITLE NMSU Smart & Micro Grid Technology **SB** _____

ANALYST Peterson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB209

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Higher Education (HED)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 14 appropriates \$250 thousand from the general fund to the board of regents of New Mexico State University (NMSU) for expenditure in FY16 and subsequent fiscal years for the research development and demonstration, technology transfer and advanced workforce training in renewable energy integration at the Southwest Technology Development Institute (SWTDI).

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. As stated in the bill, any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act as a line-item to each NMSU, the funds would not revert to the general fund.

SIGNIFICANT ISSUES

SWTDI has provided renewable energy technology evaluation and validation for over 30 years.

According to NMSU the funding will accomplish the following goals:

- Develop demonstrate and validate technologies and systems that allow improved integration of renewable energy in electric utility systems and build statewide collaborations.
- Work with utilities in piloting and implementing these in their delivery systems.
- Build upon established experience in test and evaluation to help researchers and industry demonstrate new technologies towards products leading to economic development.
- Provide advanced workforce development through on-campus employment for at-risk students, in order to support recruitment, retention and graduation.

Research and development efforts will leverage existing and new collaborations with New Mexico universities and national laboratories. Advanced workforce development will complement and build upon existing state investments at community colleges and other institutions.

In 2014, NMSU submitted a research and public service project (RPSP) to support experiments and technology demonstrations for \$250 thousand dollars from the general fund for the SWTDI to develop and demonstrate smart grid, micro-grid and renewable energy technology.

Referencing HED, smart grids are new generation electrical power networks that balance the supply and demand of power through digital information that integrates small and large-scale renewable energy sources.

PERFORMANCE IMPLICATIONS

HB 14 does not provide evaluations, however, if funding NMSU should develop performance measures in coordination with HED

ADMINISTRATIVE IMPLICATIONS

This project was approved by the board of regents of NMSU through the HED RPSP process.

OTHER SUBSTANTIVE ISSUES

HED recommends that NMSU seek outsource funding such as private or federal grants to support this program.

SP/je/aml