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FISCAL IMPACT REPORT

ORIGINAL DATE 03/10/19

SPONSOR Lara **LAST UPDATED** _____ **HM** 66

SHORT TITLE Study Revenue From Electricity Generation **SB** _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY19 | FY20 | FY21 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---------------|---------------|-------------------|---------------------------|---------------|
| Total | | Indeterminate | Indeterminate | | Nonrecurring | Various |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 66 asks the Energy, Minerals and Natural Resources Department (EMNRD) to study the feasibility and appropriate mechanisms of generating revenue for New Mexico from electricity generated and sold in New Mexico, regardless of the source of the generation, and from electricity carried on transmission lines in New Mexico, so there is no preference for, or against, carbon- based energy. EMNRD would also create baseline forecasts to support the study, and report its findings and recommendations to an interim legislative committee by December 1, 2021.

FISCAL IMPLICATIONS

HM66 asks EMNRD to create baseline forecasts of electricity production, consumption and transmission which will require contributions of staff time and resources to meet the requirement.

SIGNIFICANT ISSUES

Among others, HM 66 resolves that New Mexico relies on revenues from carbon-based fuels that vary from year to year; New Mexico has tremendous energy assets in the form of carbon-free solar and wind resources; and Mexico has the opportunity to sell to other states the carbon-free energy from its wind and solar resources and could receive a revenue stream based on such sales.

AHO/gb