

Grid Modernization & Community Energy Efficiency Development Grant Programs

Briefing Presentation to the Economic & Rural Development and Policy Interim Committee

Agenda

- 1) Grant Program Summary
- 2) Funding Sources and Reach
- 3) Current Grantees and Projects
- 4) Program Impacts/Benefits
- 5) Schedule & Important Dates



Grid Modernization Grant Program

Program Authorization

The Program enables eligible entities to participate in modernizing electric infrastructure on which they depend for vital services and economic development.

2020 Grid Modernization Roadmap and Grant Act (71-11-1 NMSA 1978) and associated rule (17.9.588 NMAC)

- Establishes the non-reverting Grid Modernization Grant Fund.
- Includes a broad definition of grid modernization (could encompass distribution and transmission aspects of the grid) tied to key objectives.
- Establishes eligible entities: municipalities and county governments; state agencies; state universities; public schools, post-secondary educational institutions; Indian nations, Tribes and Pueblos.
- Establishes additional project evaluation criteria such as innovation, economic impact and educational value.

Project Types

Distinct project types allow entities to proceed sequentially and achieve consequential milestones for a single large project, if needed.



TYPE 1:

Research projects intended to provide valuable information about the functioning of the grid and/or pilot program feasibility



TYPE 2:

Pre-construction and design activities that are expected to lead to the construction or installation of grid modernization technologies



TYPE 3:

Construction or installation and verification of grid technologies

Funding Sources

Funding allocated by the Legislature in 2025 enabled wide-spread and meaningful participation. There are many more projects under development.

Funding Source	Award Year(s)	Allocated Amount	Awarded Amount
General Appropriations Act (2020)		\$50,000	
State Energy Program (Federal)	2022-2024	\$600,000	\$650,000
State Energy Program IIJA Supplemental (Federal)	2024-2026	\$900,000	\$900,000
SB48 Community Benefit Fund Act (2025)	2026-2030	\$70,000,000	\$64,825,038
General Appropriations Act (2026)	2026-2030	\$5,000,000	TBD

Current Grantees, Projects and Benefits

Entity	Amount	Project Description	Expected Benefits
City of Socorro	\$610,000	Type 2: Energy storage & substation readiness/design/permitting	Goals are peak demand relief, future microgrid, flexibility; resilience for Industrial Park
Luna County	\$9,171,966	Type 3: Substation upgrade; grid protection and control measures	Supports community solar project(s) leading to bill savings and local tax revenue
NMSU	\$3,281,585	Type 3: Peñasco Microgrid	Energy reliability and resilience for remote community
NMSU	\$31,125,585	Type 3: Construction of test grid/laboratory	Hands on learning for students; testing and derisking of grid technologies
NMSU	\$290,563	Type 1: Research on smart grid communications protocols	Improved energy security
New Mexico Tech	\$3,340,419	Type 3: Deployment of fiber optic infrastructure at the Playas demonstration microgrid (Hidalgo County)	Teaching and learning for statewide grid security and workforce preparation
Northern New Mexico College	\$1,639,489	Type 3: Final construction of microgrid at El Rito	Resilience and energy reliability for remote community and historic campus
Picuris Pueblo	\$273,000	Type 2: Microgrid design study	Energy sovereignty, resilience and economic growth
Socorro County Emergency Management	\$200,000	Type 3: Substation upgrade with storage and SCADA	Peak demand reduction; ability to scale infrastructure to meet population growth; outage detection and response
UNM*	\$9,627,174	Type 3: Geothermal heating and storage	Moves campus toward district heating and cooling; demand response benefits
UNM*	\$788,186	Type 1: Storage optimization study	Architecture and framework for deploying storage to lower capital costs, increase efficiency; teaching and learning
Village of Taos Ski Valley	\$2,763,607	Type 3: Microgrid	Energy reliability and resilience for key regional economic engine and tourist attraction
Valencia County	\$1,713,464	Type 3: Feeder and substation upgrades	Supports community solar projects

Schedule and Important Dates for FY 2027

For the latest information visit:

<https://www.emnrd.nm.gov/ecmd/grid-modernization-program/>

Time	Event
June – August 15, 2026	• Notice of Funding Opportunity (NOFO) released; applications due August 15.
August – December 2026	• Generation of approved project queue. • New contracts/grant agreements in place with available funding. • Panel/presentation at NM Infrastructure Finance Conference (November)
Ongoing	• Project management and monitoring of all projects; including collection of project milestones, successes and impacts. • Updates of technical assistance resources, as needed, and outreach to generate interest in the program and high-quality proposals.
April 2027	• Proposed timing for a 2-day summit bringing together grantees to share successes and lessons, combined with an energy security exercise facilitated by ECAM's energy security program manager.
June 2027	• New funding opportunity announced, pending Legislature appropriation to Grid Modernization Grant Fund and after projects in the queue have been funded.



Community Energy Efficiency Development (CEED) Program

Program Authorization

The CEED program improves residential energy efficiency and energy affordability for underserved communities.

2022 Community Energy Efficiency Development Block Grant Act (62-17A-1-7 NMSA 1978) and associated rule (19.1.10.1-21 NMAC)

- Created a non-reverting fund.
- Defined an underserved community.
- Established eligible entities: Indian nations, tribes, and pueblos; county and municipal governments (who must apply in partnership with a community organization); and the New Mexico Mortgage Finance Authority (MFA).
- Defined a CEED project as a project that provides improvements to residential buildings in an underserved community that will in the aggregate reduce energy consumption, energy-related operating costs or the carbon intensity of energy consumption.
- Established parameters for projects and applications, including a workforce/apprenticeship component.

Project Goals/Benefits

Grantees decide how to prioritize these for their communities. Many CEED projects address all three goals at one time.



Reduce energy-related operating costs;



Improve indoor air or drinking water quality; and/or



Reduce the carbon intensity of energy consumption



Funding Sources

Over half of all state appropriated funds have been awarded to eligible entities.

Funding Source	Year	Amount	Awarded
General Appropriations Act	2022	\$10 M	\$8,304,203
Energy Efficiency and Conservation Block Grant (Federal)	2023-2027	\$1.7 M	\$1,476,836
General Appropriations Act	2025	\$5 M	\$0**
SB48 Community Benefit Fund*	2026	\$15 M	\$7,833,577
TOTAL		\$31.7 M	\$17,614,616

*A solicitation targeting new grantees will be out this summer 2026.

**Holding for planned upcoming uses.

Current Projects/Grantees

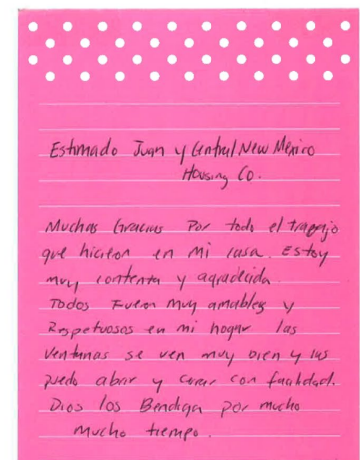
10 local and tribal government entities are implementing CEED projects

Dissemination of Funds by Grantee and Funding Source

Awardee	Federal EECBG	State CEED	State CBF	Total
Town of Bernalillo		\$835,000.00		\$835,000.00
City of Las Cruces*	\$617,468.75	\$25,000.00	\$160,617.25	\$808,086.00
Taos County*		\$2,015,033.00	\$500,000.00	\$2,515,033.00
City of Albuquerque*		\$1,670,000.00	\$417,500.00	\$2,087,500.00
City of Santa Fe		\$1,254,170.00		\$1,254,170.00
Santa Fe County*		\$835,000.00	\$208,750.00	\$1,043,750.00
Mortgage Finance Authority (Housing New Mexico)*		\$1,670,000.00	\$2,000,000	\$3,670,000.00
City of Socorro			\$1,000,349.00	\$1,000,349.00
Ojo Encino Chapter of Navajo Nation			\$1,510,768.00	\$1,510,768.00
Nambe Pueblo Housing Entity			\$2,035,593.00	\$2,035,593.00

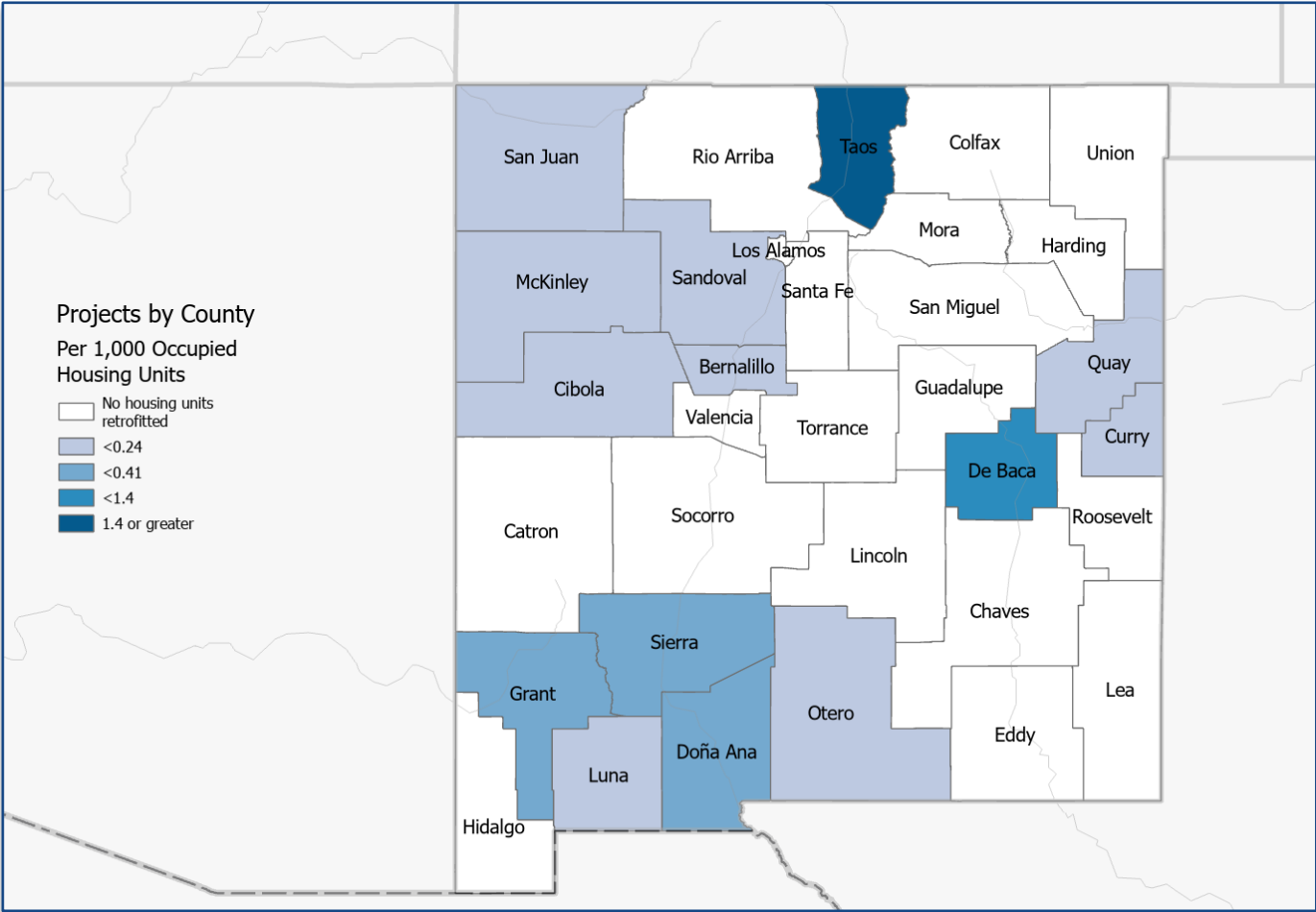
Program Reach as of June 2026

- CEED program dollars have touched homes in 14 counties as of the end of FY 2026.



Dear Juan & Central NM Housing Co
Thankyou so much for all the work you guys did in my home. I am very happy and grateful. Everyone was very polite and respectful in my home. The windows are great and easy to open. God Bless all of you.

San Juan County customer note in Spanish and English courtesy of MFA | Housing New Mexico



Schedule and Important Dates for FY 2027

Time	Event
August – October 2026	• Notice of Funding Opportunity (NOFO) released. Applicants will have 60 days.
November 2026 – February 2027	• Generation of approved project queue. • New contracts/grant agreements in place with available funding. • Panel/presentation at NM Infrastructure Finance Conference (November)
Ongoing	• Project management and monitoring of all projects; including collection of project milestones, successes and impacts. • Updates of technical assistance resources, as needed (e.g., program guidance and templates)
June 2027	• New funding opportunity prepared, pending Legislature appropriation to CEED Fund and after projects in the queue have been funded.



Erin Taylor
Acting Secretary
EMNRD

Erin.Taylor@emnrd.nm.gov