

Solar Market Update for New Mexico

Water and Natural Resources Interim Committee



Solar Market Overview

Solar Potential in New Mexico

Why solar is a high-impact opportunity

- NM ranks #1/#2 in solar potential
- Households that install solar save \$1500 on average annually.
- Solar powers ~15% of NM's grid, peaking much higher at midday
- Supports the Energy Transition Act goals
- Job creation across income levels (2099 jobs; 71 companies and counting).
- \$5.7b invested so far
- Grid resilience and energy independence



Statewide Status of Solar

- **Community Solar:** 2 projects broke ground this fall
- **Solar for All:** Federal grant status under review
- **Industry challenges:** permitting, interconnection, federal incentives
- **EMNRD role:** strategic support, not program administration



Barriers to Deployment

- Local permitting delays and inconsistency
- Interconnection bottlenecks with utilities
- Slow or choked supply chain
- Federal 45X ITC phase-out and tariff uncertainty
- FEOC (Foreign Entity of Concern) compliance hurdles



Solar Program Overview

- Community Solar
- Solar For All
- Solar Market Development Tax Credit

Solar for All vs. Community Solar

	Solar for All (Federal Grant)	Community Solar (State Grant)
What It Is	Federally funded EPA grant to expand solar access for low-income households	A solar delivery model where multiple subscribers share energy from a local solar farm
Administered By	EMNRD (state implementation of federal grant)	Public Regulation Commission (PRC) under the Community Solar Act
Funding Source	\$156 million EPA grant	Privately financed; enabled by state legislation
Target Audience	Low-income, tribal, off-grid, and underserved communities	Renters, low-income households, and those without rooftop access
Delivery Mechanism	Rooftop solar, shared solar, and solar + storage systems	Subscription to shared solar projects with bill credits
Low-Income Mandate	Required in grant design and project tiers	30% of each project must serve low-income customers (per statute)
Legislative Relevance	Oversight of federal funds, support for legal defense and backstop funding	Potential for permitting reform and interconnection acceleration

Community Solar

What is Community Solar?



New Mexico's Community Solar Act requires that at least 30% of each project's capacity serve low-income households or low-income-serving organizations.

Community Solar

State of Play

- Administered by PRC, not EMNRD
- 2 of dozens projects broke ground in 2025
- EMNRD supports enabling conditions

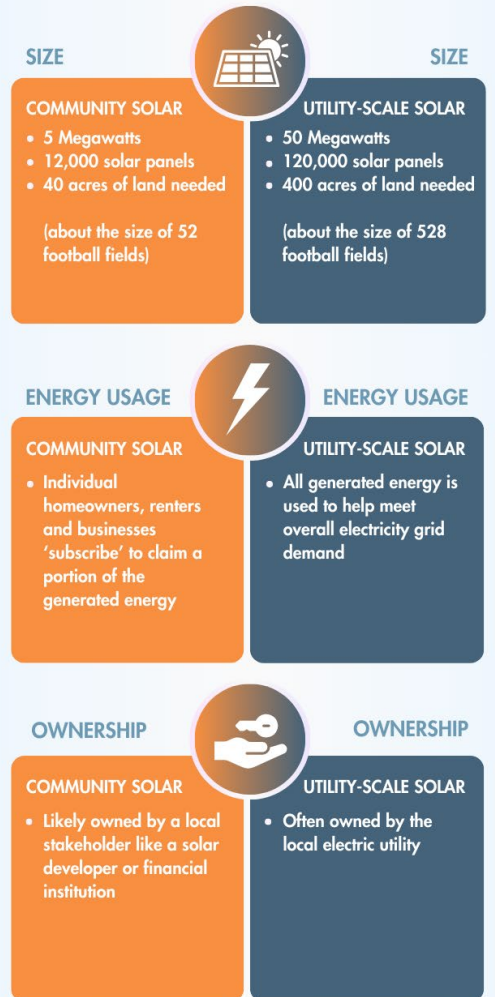
Challenges

- PRC lacks program setup authority
- Utility resistance to market competition
- Local ordinances lagging → higher costs for NM residents

Support Strategies

- Align local ordinances with state solar goals

COMMUNITY SOLAR VS UTILITY-SCALE SOLAR



Solar for All

Program Status

- About to select projects when lawsuit came

Three project clusters:

1. Tribes and Co-ops
2. Shared solar (non-IOU)
3. Individual residential (off-grid)

Challenges

- Legal review underway: resisting premature termination
- Springer Co-op project ready but stalled
 - Engineering done for solar + storage but need grant/financing support to make it pencil out

Support Strategies

- Backstop funding for shovel-ready projects
 - EMNRD and the Governor's Office are exploring options to advance part of the SfA program, including nonrecurring request for the upcoming session (not included in EMNRD Sept. 1 submission) and existing state funding, such as through the CBF.
- NMDOJ litigation to reverse grant cancellation



Solar Market Development Tax Credit Program Data and Highlights



Dashboard User Information Guide

Estimated Average Taxpayer Annual Energy Cost Savings

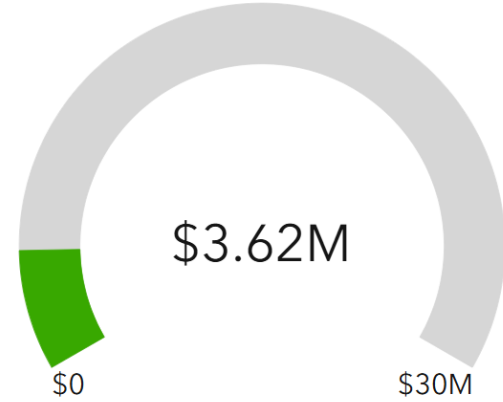
\$1,503

Based on a statewide average of \$0.12 per kWh.

Estimated Average Taxpayer Annual Energy Production (kWh)

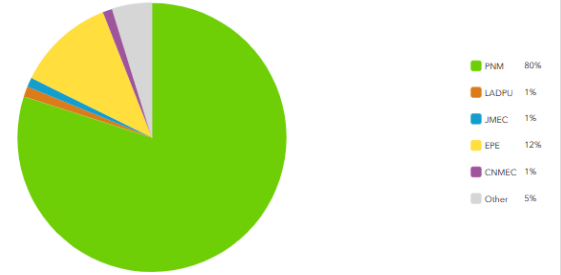
12,523

Total Credit Amount Approved TY 2025

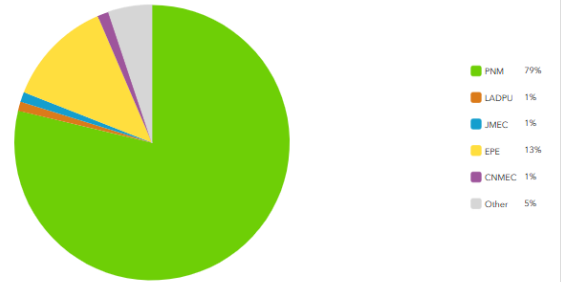


2025 2024 2023 2022 2021 2020

Utility Share of Interconnecting Customers



Utility Share of (Grid-Tied) Capacity



Total Approved Projects

17,580

Total Installed Capacity (MW)

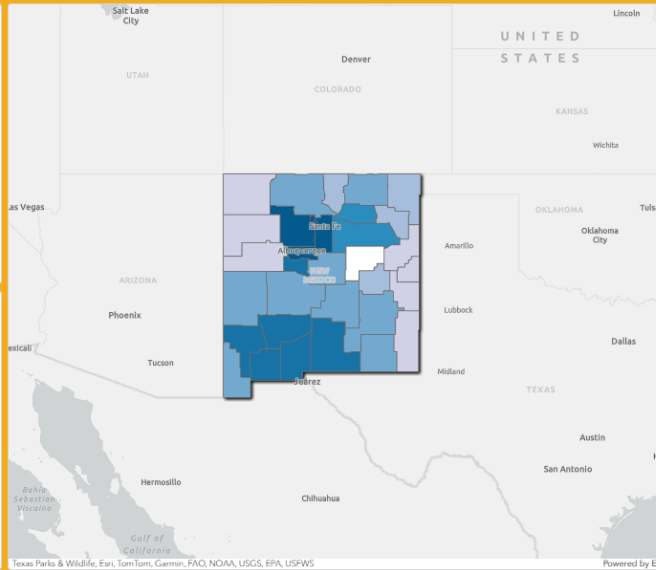
129.5

Average Approved Credit Amount

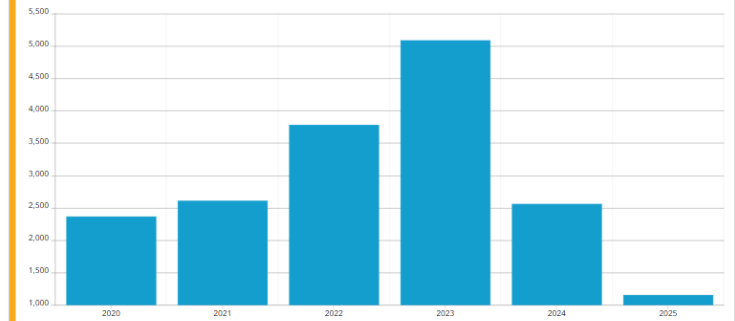
\$3,105

Average System Size

7.4kW



Projects Approved by Tax Year

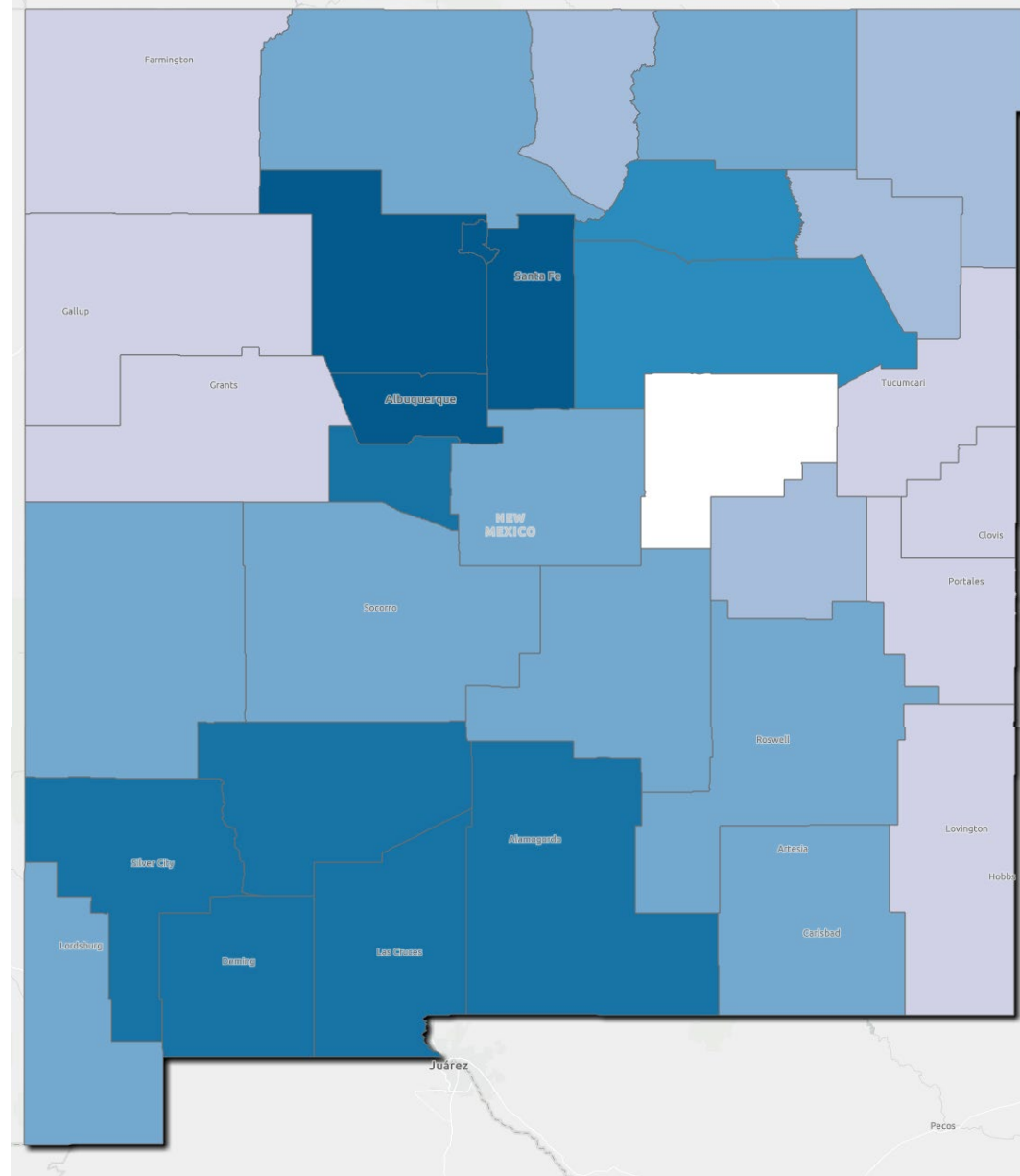


Solar Market Development Tax Credit

Program Data and Highlights

Projects by County Population

Projects by Population (100,000)



ESCO and Revolving Loan Programs

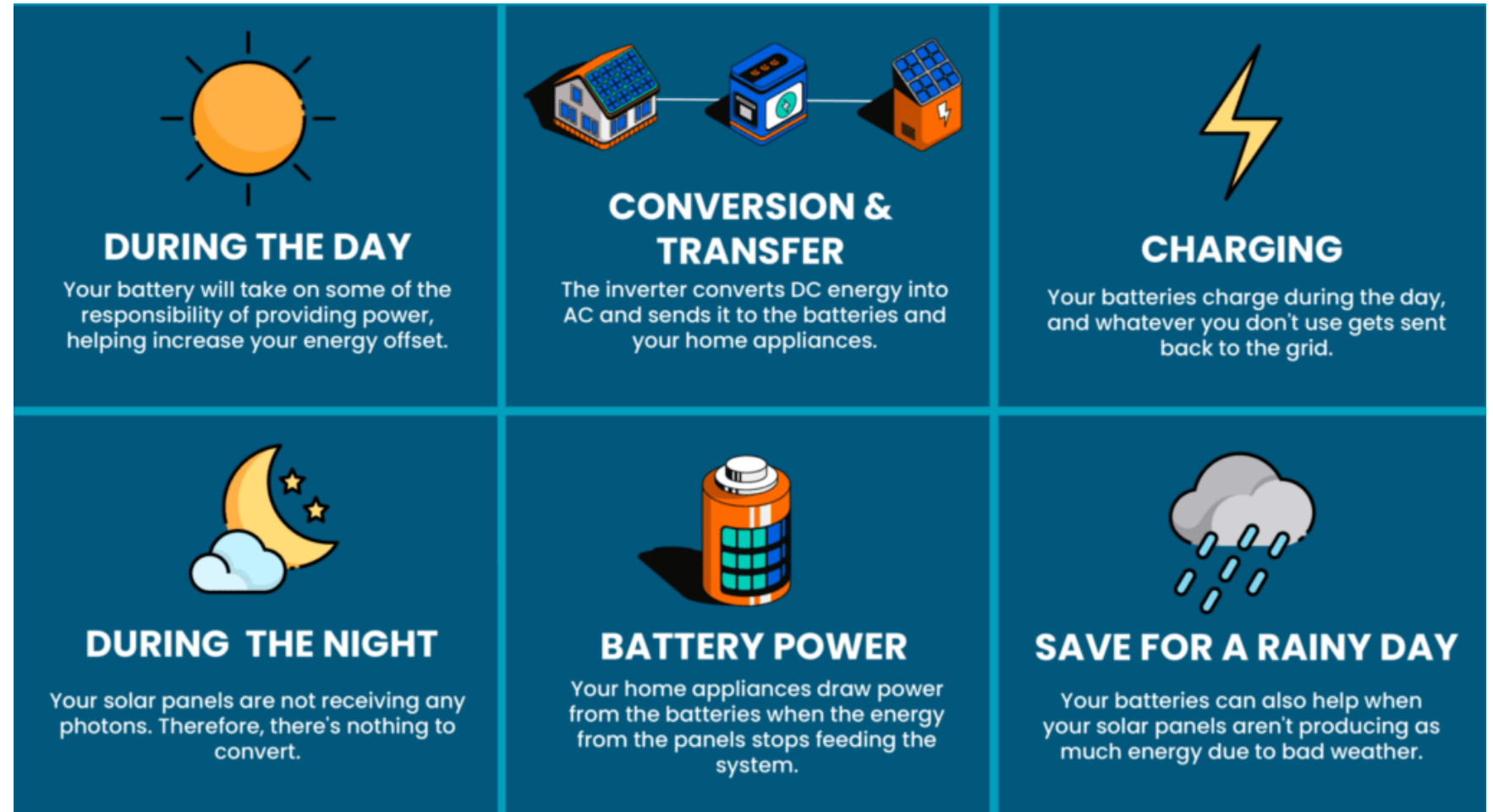
Financing mechanisms to scale solar

- Energy Service Companies (ESCOs) enable performance-based contracting
- Revolving loan funds support upfront capital needs



Solar + Storage = Resilience

- Storage unlocks reliability, peak shaving, and grid flexibility
- Solar alone is good—solar with storage is transformational
- Let's build the future New Mexico deserves





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