

Community Energy Efficiency Development (CEED) Program Update

Water and Natural Resources Interim Committee



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1. Program Overview and Project Example

Overview

Purpose: improve residential energy efficiency and affordability for underserved communities.

- HB37 Community Energy Efficiency Dev Block Grant (2022) created as a non-reverting fund
- Provide block grants to local and tribal governments.
- Reduce energy consumption, lower utility bills, and decrease greenhouse gas emissions, while enhancing the comfort and safety of homes in energy-burdened areas.

Project Types

Projects target the adoption of energy-efficient consumer behavior, equipment, or devices that result in a decrease in energy consumption without reducing the amount or quality of energy services.

Project types include:

- Reduce energy-related operating costs;
- Improve indoor air or drinking water quality;
- Reduce the carbon intensity of energy consumption; or
- a combination of the above.

Eligible entities include:

- Indian nations, tribes, and pueblos;
- County and municipal governments (who must apply in partnership with a community organization); and
- New Mexico Mortgage Finance Authority (MFA).

Project Example: Fruitland New Mexico

Project Background

Robert Allen, a retired resident of the Navajo Nation, lives in a manufactured home on land once owned by his father. His home was in urgent need of upgrades to ensure safety, comfort, and energy efficiency.

- The original wood-burning stove—a culturally significant but outdated fixture—posed serious fire and air-quality risks.
- CEED funding will enable full retrofits, addressing both energy burden and health concerns in a region where coal remains a common heating fuel.
- The project reflects CEED's commitment to energy equity, tribal collaboration, and durable community impact.

Project Example: Fruitland New Mexico

Retrofit Partners & Measures Installed



Grantee



**RED
FEATHER**



HOOGHAN

Implementers

Measures Installed:

- EPA-certified high-efficiency wood stove (replacing outdated, unsafe unit)
- Cold-climate air-source heat pump
- High-efficiency heat pump water heater
- Building envelope improvements (air sealing and insulation)

Project Example: Fruitland New Mexico

Performance Improvements & Resident Impact

“We’ve got six people in the house—my wife, two grandchildren, and our granddaughter’s two little ones. Our old 10-gallon water heater ran out fast and didn’t keep up. The new heat pump unit reheats quicker, uses less energy, and gives us enough hot water for everyone. It’s made a big difference in comfort and quality of life.”

Performance Improvements:

- Air Tightness: ACH50 reduced from over 3200 to ~1500—cutting air leakage by more than half
- Water Heating: Replaced a 10-gallon unit with a high-efficiency heat pump water heater, dramatically improving hot water availability for a multi-generational household of six

Project Example: Fruitland New Mexico Performance Improvements & Resident Impact



New EPA-certified high-efficiency wood stove installed in Robert Allen's home



Robert Allen, upgrade recipient and Navajo Nation resident

Photo: Housing New Mexico
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2. Program Finance Update & Next Steps

Program Finance

The \$20 million in 2025 funding has not yet been obligated because ECAM is finalizing selections.

Table 1: Appropriations to CEED (2022-2025)

Funding Source	Year	Amount	Awarded
General Appropriations Act	2022	\$10 M	\$8,304,203*
SB48 Community Benefit Fund	2025	\$15 M	\$0
General Appropriations Act	2025	\$5 M	\$0
TOTAL		\$30 M	\$8,304,203

*Some funding from 2022 appropriation was reserved for administrative staff and activities.

Program Finance

5 of 7 contracts are signed from the initial Request for Application (2023)

Table 2: Dissemination of CEED Funds by Awardee from the 2023 Application Cycle

Awardee	Funding Source	Federal EECBG	State CEED	Contract Status
Town of Bernalillo	CEED (state funds)		\$835,000.00	In Revision
City of Las Cruces	EECBG and CEED	\$617,468.75	\$25,000.00	Executed
Taos County	CEED (state funds)		\$2,015,032.86	Executed
City of Albuquerque	CEED (state funds)		\$1,670,000.00	Executed
City of Santa Fe	CEED (state funds)		\$1,254,170.00	w/Awardee for negotiation
Santa Fe County	CEED (state funds)		\$835,000.00	Executed
Mortgage Finance Authority (Housing New Mexico)	CEED (state funds)		\$1,670,000.00	Executed

Program Status

Next Steps

The \$20 million in 2025 funding has not yet been obligated. ECAM is finalizing selections, submitted September 30 and targeting selection by December 2025.

SB48 Community Benefits Fund (\$15 million)

- Solicitation noted additional requirements imposed by SB48
- Responses submitted to ECAM: September 30, 2025
- Selection Completed: December 1, 2025

Next Steps:

- ECAM to begin contract negotiations with each selected entity
- Selected entities to initiate updates to local ordinances as required
- ECAM posts solicitation in February 2026 to award remaining funds

Exploring Prudent Uses

General Fund (\$5 million)

- Energy Auditing Software
- Combine with main CEED funding body

3. Overcoming Roadblocks



Overcoming Roadblocks

Local Ordinance Challenges

Local ordinance requirements have delayed CEED implementation by an average of 141 days—creating significant barriers to timely project launch and community impact.

- Block Grant Act (62-17A-5) requires counties and municipalities to enact a formal ordinance before grant approval
- Ordinances must include terms and conditions of the CEED grant and reflect local authority to participate

Average duration to enact ordinance: 141 days

- Shortest: 62 days
- Longest: 201 days
- Typical range: 3–6 months

Overcoming Roadblocks

Local Ordinance Challenges: Examples of Local Timelines

Local governments must enact ordinances before CEED grant approval.

Timelines vary widely:



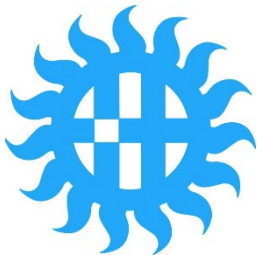
City of Albuquerque:

Drafted: 1/16 → Adopted: 4/7 →
Published: 4/23 → Effective: 5/5



Taos County:

Drafted: 1/16 → Adopted: 3/18 →
Recorded: 3/19



City of Las Cruces:

Drafted: 1/15 → Adopted
with immediate effect: 8/4



Santa Fe County:

Drafted: 1/16 → Adopted: 6/24 →
Recorded: 6/26 → Effective: 7/26

*Tribal Governments enact Resolutions instead of ordinances

Overcoming Roadblocks

Compliance & Next Steps

State wage requirements and ordinance sequencing continue to challenge CEED rollout timelines.

State-Level Prevailing Wage Requirements

- All CEED grantees must comply with New Mexico's Public Works Minimum Wage Act
- Requires use of DWS' PWAA system for wage determination and reporting
- Adds administrative complexity for local implementers unfamiliar with state wage protocols

Overcoming Roadblocks

What We're Doing About It

ECAM is actively reducing implementation delays through targeted support, smarter planning, and coordinated engagement with local governments.

Technical Assistance: ECAM provides ordinance templates, statutory guidance, and review support to help local governments meet CEED requirements efficiently.

Timeline Planning: CEED now builds in a 3–6 month ordinance window for new applicants, aligning expectations with real-world adoption timelines.

Contract Sequencing: ECAM initiates contract negotiations only after ordinance or resolution adoption—ensuring legal authority and program readiness.

Stakeholder Coordination: Ongoing engagement with clerks, legal counsel, and elected officials helps streamline approval and reduce administrative delays.



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