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FISCAL IMPACT REPORT



SPONSOR: McSorley DATE TYPED: 01/29/02 HB _____

SHORT TITLE: Study Alternative Energy Resources SB SJM26

ANALYST: Trujillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1 Indeterminate			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From:

Energy, Minerals and Natural Resources Department (EMNRD)

Commissioner of Public Lands (CPL)

Environment Department (ED)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 26 requests the Legislative Council to direct the appropriate legislative Interim Committee to study means to foster use of alternative energy resources.

Significant Issues

EMNRD reports this memorial would create a study of means that the state could use to facilitate the increased use of alternative energy resources. The study could serve as a basis for developing legislative or policy initiatives which could stimulate alternative energy development in New Mexico.

According to CPL, alternative energy sources are not defined in the bill. Solar radiation and wind are mentioned but other energy sources such as geothermal or technologies such as fuel cells or energy conservation are not discussed in the memorial.

ADMINISTRATIVE IMPLICATIONS

Slight administrative implications have been reported by EMNRD and CPL.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Relates to SB187 and HB233

TECHNICAL ISSUES

EMNRD suggests on page 2, line 10: Insert a comma after “states” to clarify that the intent of the memorial is to direct the appropriate legislative interim committee “to study alternative energy...and to encourage development of alternative energy sources.”

OTHER SUBSTANTIVE ISSUES

EMNRD reports New Mexico has a diverse and extensive renewable energy resource base. For example, New Mexico ranks 2nd among all states in solar and 12th in wind resources. Significant geothermal and biomass resources are also located within our borders. Yet New Mexico’s renewable resources remain largely untapped. Increased use of alternative energy resources could be beneficial to New Mexico and its citizens for several reasons:

- a) Many alternative energy resources have less environmental impact than conventional resources;
- b) Alternative energy resources are usually decoupled from supply and cost changes of conventional resources;
- c) Development of untapped alternative energy resources would result in increased economic activity;
- d) Alternative energy resources can be developed locally, reducing dependency upon imported resources.

ED indicates the information and recommendations resulting from the study should better enable the legislature to formulate a well-founded strategy for fostering the use of alternative energy resources.

ED suggests as an alternative, the legislature could request that appropriate agencies of the executive branch prepare a report on approaches to fostering use of alternative energy resources. The legislature could also commission a panel of independent experts to prepare and present such a study.

LAT/njw