

AN ACT  
RELATING TO ENERGY; ENACTING THE ADVANCED ENERGY  
TECHNOLOGIES ECONOMIC DEVELOPMENT ACT; CREATING A FUND;  
CREATING A GRANTS PROGRAM TO PROMOTE RESEARCH AND  
DEVELOPMENT OF ENERGY CONSERVATION TECHNOLOGIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Advanced Energy Technologies Economic Development Act".

Section 2. FINDINGS.--The legislature finds that advancing the development of hydrogen, fuel cell, renewable energy and energy efficiency technologies is important for the state's economic future and energy stability, and to protect the public health of its citizens and the state's environment. The legislature further finds that there is a need to assist in the development of early market demand that will advance the commercialization and widespread application of these emerging energy technologies. The legislature further finds that New Mexico is ideally positioned to stimulate advanced energy technology economic development due to its abundance of natural and renewable energy sources, a successful research and development track record, an ability to attract significant research and development federal dollars and the establishment of a variety of entrepreneurial support programs.

Section 3. PURPOSE.--The Advanced Energy Technologies Economic Development Act provides funds to stimulate the market for and promote the

statewide utilization of advanced energy technologies. That act further provides for a targeted program that advances the creation of a hydrogen and fuel cell industry cluster.

Section 4. DEFINITIONS.--As used in the Advanced Energy Technologies Economic Development Act:

A. "alternative fuel" means natural gas, liquefied petroleum gas, electricity, hydrogen, a fuel mixture containing not less than eighty-five percent ethanol or methanol, a fuel mixture containing not less than twenty percent vegetable oil or a water-phased hydrocarbon fuel emulsion consisting of a hydrocarbon base and water in an amount not less than twenty percent by volume of the total water-phased fuel emulsion;

B. "clean energy" means alternative fuels, energy efficiency, renewable energy and fuel cells;

C. "department" means the energy, minerals and natural resources department;

D. "energy efficiency" means the application of technology resulting in the reduced or improved use of energy;

E. "fuel cell" means equipment using an electrochemical process to generate electricity and heat;

F. "fund" means the clean energy grants fund;

G. "renewable energy" means thermal or electrical energy generated by means of a low- or zero-emissions generation technology that has substantial long-term production potential, including solar, wind, geothermal, landfill gas or biomass, but does not include fossil fuel or nuclear power; and

H. "secretary" means the secretary of energy, minerals and natural resources.

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Section 5. CLEAN ENERGY GRANTS FUND.--The "clean energy grants fund" is created in the state treasury. The fund shall consist of money appropriated and transferred to the fund and tax revenues distributed to the fund by law.

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Earnings from investment of the fund shall be credited to the fund. Money in the fund is subject to appropriation by the legislature to the department for the purpose of administering the clean energy grants program pursuant to the Advanced Energy Technologies Economic Development Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert. Disbursements from the fund shall be made upon warrants drawn by the secretary of finance and administration pursuant to vouchers signed by the secretary of energy, minerals and natural resources.

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Section 6. CLEAN ENERGY GRANTS PROGRAM.--

A. The secretary shall establish the clean energy grants program to provide clean energy grants to:

- (1) municipalities and county governments;
- (2) state agencies;
- (3) state universities;
- (4) public schools;
- (5) post-secondary educational institutions; and
- (6) Indian nations, tribes and pueblos.

B. The secretary may make grants from the fund for physical projects utilizing clean energy technologies and clean energy education, technical

assistance and training programs. The department may use no more than one hundred thousand dollars (\$100,000) from the fund for the administration of the grants program and to conduct research or studies directly related to the Advanced Energy Technologies Economic Development Act.

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C. The department may adopt rules establishing the application procedure and required qualifications of projects. No single entity shall receive greater than one hundred thousand dollars (\$100,000) from the fund. Factors that may be considered in approving or denying disbursements from the fund are:

(1) the geographic area of the state in which the project is to be conducted in relation to other projects;

(2) percentage of cash or in-kind contributions applied to the total project;

(3) the extent to which the project incorporates an innovative new technology or an innovative application of an existing technology;

(4) the degree to which the project will reduce the entity's energy-related expenditures;

(5) the degree to which the project fosters the general public's, students' or a specific government or industry sector's overall understanding and appreciation of clean energy technologies; and

(6) the extent to which the project stimulates in-state economic development, including jobs creation, and further development of a commercial market for clean energy technologies.

D. Except as provided otherwise in this section, the department shall disburse:

- (1) no less than three hundred thousand dollars (\$300,000) to municipalities and county governments;
- (2) no less than three hundred thousand dollars (\$300,000) to state universities and post-secondary educational institutions;
- (3) no less than three hundred thousand dollars (\$300,000) to Indian nations, tribes and pueblos; and
- (4) no more than two hundred thousand dollars (\$200,000) to state agencies and public schools.

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E. The minimum disbursements designated in this section may be amended by the department if an insufficient number of qualified projects are applied for by entities seeking grant funding within a particular category or categories.

F. The department shall report on disbursements made from the fund to the legislative finance committee prior to each regular legislative session. The report shall include:

- (1) a list of recipients receiving disbursements;
- (2) the amount of each disbursement;
- (3) the date of each disbursement;
- (4) a description of each project or expansion funded with a disbursement;
- (5) a description of each project's contribution to the state's knowledge and use of clean energy technologies; and
- (6) a description of the extent to which the grants program is benefitting the state's environment, public health and economic development.

Section 7. HYDROGEN AND FUEL CELL TECHNOLOGIES

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DEVELOPMENT PROGRAM.--

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A. The secretary of economic development, in collaboration with the department, shall establish a hydrogen and fuel cell technologies development program for the purpose of fostering the development of hydrogen and fuel cell-related commercialization and economic development in the state. The program shall include:

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(1) establishing a public-private partnership between the state, national laboratories, nonprofit organizations and the hydrogen and fuel cell technologies industry sector to provide guidance and support for hydrogen and fuel cell initiatives;

(2) supporting activities to adopt uniform hydrogen safety codes and standards and provide education and training to communicate these codes and standards to the appropriate fire and regulatory entities;

(3) developing demonstration projects by pursuing federal funds and other available funds to augment state resources, advancing public education about hydrogen and fuel cell technology and building the necessary infrastructure to support commercial use and adoption of hydrogen and fuel cell technologies; and

(4) coordinating and supporting research and education activities in hydrogen and fuel cells between state universities and federally funded research and development organizations in the state to promote closer cooperation and advance the state's overall capabilities and programs in hydrogen and fuel cell technologies.

B. The economic development department shall report on the status and progress of the hydrogen and fuel cell technologies development program to the legislative finance committee prior to each regular legislative session. The report shall include the type and amount of expenditures made pursuant to the appropriation in this section.