

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 317

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO ELECTRIC POWER; ENACTING THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY ACT; CREATING THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY; PROVIDING, UNDER CERTAIN CIRCUMSTANCES, FOR THE FINANCING OR THE PLANNING, ACQUISITION, MAINTENANCE AND OPERATION OF CERTAIN ELECTRIC TRANSMISSION FACILITIES BY THE AUTHORITY; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR CERTAIN RECEIPTS RELATING TO ELECTRIC TRANSMISSION PROJECTS; PROVIDING FOR THE ISSUANCE OF RENEWABLE ENERGY TRANSMISSION BONDS; MAKING AN APPROPRIATION.

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

Section 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 16 of this act may be cited as the "New Mexico Renewable Energy Transmission Authority Act".

Section 2. [NEW MATERIAL] LEGISLATIVE FINDINGS AND

underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 PURPOSES.--

2 A. The legislature finds that:

3 (1) there are extensive reserves of renewable
4 energy in New Mexico and additional facilities are needed to
5 develop and market the reserves;

6 (2) timely development of New Mexico renewable
7 energy sources will stabilize and increase revenue to the
8 state;

9 (3) new electric transmission infrastructure
10 and storage will increase development of New Mexico renewable
11 energy sources and improve the reliability of the transmission
12 grid;

13 (4) it is in the public interest to promote
14 the economic welfare of the state and its residents by
15 increasing employment, stimulating economic activity,
16 augmenting sources of tax revenue, fostering economic stability
17 and improving the balance of the state's economy; and

18 (5) it is in the public interest to develop
19 New Mexico's vast sources of clean, renewable energy for in-
20 state consumption and for exportation to other markets desirous
21 of clean renewable energy.

22 B. The purposes of the New Mexico Renewable Energy
23 Transmission Authority Act are to:

24 (1) diversify and expand the New Mexico
25 economy through improvements in the electric transmission

.159309.2GR

underscored material = new
[bracketed material] = delete

1 infrastructure and the development of energy storage
2 technologies;

3 (2) facilitate the transmission and use of New
4 Mexico renewable energy by financing or planning, acquiring,
5 maintaining and operating electric transmission facilities,
6 storage facilities and related supporting infrastructure and
7 interests therein; and

8 (3) provide for the creation of the New Mexico
9 renewable energy transmission authority to facilitate the
10 financing, planning, acquiring, maintaining and operating of
11 electric transmission and storage facilities.

12 Section 3. [NEW MATERIAL] DEFINITIONS.--As used in the
13 New Mexico Renewable Energy Transmission Authority Act:

14 A. "acquire" means to obtain eligible facilities by
15 lease, construction, reconstruction or purchase;

16 B. "authority" means the New Mexico renewable
17 energy transmission authority;

18 C. "bonds" means renewable energy transmission
19 bonds and includes notes, warrants, bonds, temporary bonds and
20 anticipation notes issued by the authority;

21 D. "eligible facilities" means facilities to be
22 financed or acquired by the authority, in which, within one
23 year after beginning operation, at least thirty percent of the
24 electric energy transmitted or stored will, as estimated by the
25 authority, originate from renewable energy sources;

.159309.2GR

underscored material = new
[bracketed material] = delete

1 E. "facilities" means electric transmission and
2 interconnected electricity storage facilities and all related
3 structures, properties and supporting infrastructure, including
4 any interests therein;

5 F. "finance" or "financing" means the lending of
6 bond proceeds by the authority to a public utility or other
7 private person for the purpose of planning, acquiring,
8 operating and maintaining eligible facilities in whole or in
9 part by that public utility or other private person;

10 G. "project" means an undertaking by the authority
11 to finance or plan, acquire, maintain and operate eligible
12 facilities located in part or in whole within the state of New
13 Mexico;

14 H. "public utility" means a public electric utility
15 regulated by the public regulation commission pursuant to the
16 Public Utility Act and municipal utilities exempt from public
17 regulation commission regulation pursuant to Section 62-6-4
18 NMSA 1978 that own or operate facilities;

19 I. "renewable energy" means electric energy:

20 (1) generated by use of low- or
21 zero-emissions generation technology with substantial long-term
22 production potential; and

23 (2) generated by use of renewable energy
24 resources that may include:

25 (a) solar, wind, hydropower and

underscored material = new
[bracketed material] = delete

1 geothermal resources;

2 (b) fuel cells that are not fossil
3 fueled; and

4 (c) biomass resources, such as
5 agriculture or animal waste, small diameter timber, salt cedar
6 and other phreatophyte or woody vegetation removed from river
7 basins or watersheds in New Mexico, landfill gas and
8 anaerobically digested waste biomass; but

9 (3) does not include electric energy
10 generated by use of fossil fuel or nuclear energy; and

11 J. "storage" means energy storage technologies that
12 convert, store and return electricity to help alleviate
13 disparities between electricity supply and demand, to
14 facilitate the dispatching of electricity or to increase
15 economic return on the sale of electricity.

16 Section 4. [NEW MATERIAL] NEW MEXICO RENEWABLE ENERGY
17 TRANSMISSION AUTHORITY CREATED--ORGANIZATION.--

18 A. The "New Mexico renewable energy transmission
19 authority" is created as a public body, politic and corporate,
20 separate and apart from the state, constituting a governmental
21 instrumentality for the performance of essential public
22 functions.

23 B. The authority shall be composed of five members
24 as follows:

25 (1) three members appointed by the governor

.159309.2GR

1 with the advice and consent of the senate. The initial
2 appointees shall be appointed for staggered terms of one, two
3 and three years; thereafter the members shall be appointed for
4 three-year terms;

5 (2) one member appointed by the speaker of the
6 house of representatives who shall serve at the pleasure of the
7 speaker of the house; and

8 (3) one member appointed by the president pro
9 tempore of the senate who shall serve at the pleasure of the
10 president pro tempore.

11 C. The qualifications of the members shall be as
12 follows:

13 (1) one member appointed by the governor with
14 expertise in financial matters involving the financing of major
15 electrical transmission projects;

16 (2) the other four members shall have:

17 (a) special knowledge of the public
18 utility industry, as evidenced by college degrees or by
19 experience, at least five years of which must be with the
20 public utility industry; and

21 (b) knowledge of renewable energy
22 development; and

23 (3) no member shall represent a person that
24 owns or operates facilities.

25 D. In addition to the appointed members, the

underscoring material = new
[bracketed material] = delete

1 secretary of energy, minerals and natural resources shall serve
2 as an ex-officio nonvoting member of the authority.

3 E. The governor shall designate an appointed member
4 of the authority to serve as chair, and the authority may elect
5 annually such other officers as it deems necessary.

6 F. The authority shall meet at the call of the
7 chair or whenever three members shall so request in writing. A
8 majority of members then serving constitutes a quorum for the
9 transaction of business, but the affirmative vote of at least
10 three members is necessary for any action to be taken by the
11 authority.

12 G. The authority is not created or organized and
13 its operations are not conducted for the purpose of making a
14 profit, but it is expected to recover the costs of operating
15 the authority. No part of the revenues or assets of the
16 authority shall benefit or be distributable to its members,
17 officers or other private persons. The members of the
18 authority shall receive no compensation for their services but
19 shall be reimbursed for actual and necessary expenses at the
20 same rate and on the same basis as provided for public officers
21 in the Per Diem and Mileage Act.

22 H. The authority is not subject to the supervision
23 or control of any other board, bureau, department or agency of
24 the state except as specifically provided in the New Mexico
25 Renewable Energy Transmission Authority Act. No use of the

.159309.2GR

underscored material = new
[bracketed material] = delete

1 terms "state agency" or "instrumentality" in any other law of
2 the state shall be deemed to refer to the authority unless the
3 authority is specifically referred to in the law.

4 I. The authority is a governmental instrumentality
5 for purposes of the Tort Claims Act.

6 Section 5. [NEW MATERIAL] AUTHORITY--DUTIES AND POWERS.--

7 A. The authority shall:

8 (1) do any and all things necessary or proper
9 to accomplish the purposes of the New Mexico Renewable Energy
10 Transmission Authority Act;

11 (2) hire an executive director and such other
12 employees or other agents as it deems necessary for the
13 performance of its powers and duties, including consultants,
14 financial advisors and legal advisors, and prescribe the powers
15 and duties and fix the compensation of the employees and
16 agents. The executive director of the authority shall direct
17 the affairs and business of the authority, subject to the
18 policies, control and direction of the authority; and

19 (3) maintain such records and accounts of
20 revenues and expenditures as required by the state auditor.
21 The state auditor or the state auditor's designee shall conduct
22 an annual financial and legal compliance audit of the accounts
23 of the authority and file copies with the governor and the
24 legislature.

25 B. The authority may:

.159309.2GR

underscoring material = new
[bracketed material] = delete

1 (1) make and execute agreements, contracts and
2 other instruments necessary or convenient in the exercise of
3 its powers and functions with any person or governmental
4 agency;

5 (2) enter into contractual agreements with
6 respect to one or more projects upon the terms and conditions
7 the authority considers advisable;

8 (3) utilize the services of executive
9 departments of the state upon mutually agreeable terms and
10 conditions;

11 (4) enter into partnerships with public or
12 private entities;

13 (5) establish corridors for the transmission
14 of electricity within the state;

15 (6) investigate, plan, prioritize and
16 negotiate with entities within and outside the state for the
17 establishment of interstate transmission corridors;

18 (7) pursuant to Subsection C of this section,
19 finance or plan, acquire, maintain and operate eligible
20 facilities necessary or useful for the accomplishment of the
21 purposes of the New Mexico Renewable Energy Transmission
22 Authority Act;

23 (8) pursuant to the provisions of the Eminent
24 Domain Code, exercise the power of eminent domain for acquiring
25 property or rights of way for public use if needed for projects

.159309.2GR

underscoring material = new
[bracketed material] = delete

1 if such action does not materially diminish electric service
2 reliability in New Mexico;

3 (9) receive by gift, grant, donation or
4 otherwise, any sum of money, aid or assistance from the United
5 States, the state of New Mexico, any other state, any political
6 subdivision or any other public or private entity;

7 (10) for any project, provide information and
8 training to employees of the project regarding any unique
9 hazards that may be posed by the project, as well as training
10 in safety work practices and emergency procedures;

11 (11) issue bonds pursuant to the New Mexico
12 Renewable Energy Transmission Authority Act as necessary to
13 undertake a project;

14 (12) enter into contracts necessary for the
15 financing, planning, acquisition, maintenance or operation of
16 eligible facilities;

17 (13) enter into contracts for the lease and
18 operation by the authority of eligible facilities owned by a
19 public utility or other private person;

20 (14) enter into contracts for leasing eligible
21 facilities owned by the authority, provided that any revenue
22 derived pursuant to the lease shall be deposited in the
23 renewable energy transmission bonding fund;

24 (15) collect payments of reasonable rates,
25 fees, interest or other charges from persons using eligible

.159309.2GR

underscored material = new
[bracketed material] = delete

1 facilities to finance eligible facilities and for other
2 services rendered by the authority, provided that any revenue
3 derived from payments made to the authority shall be deposited
4 in the renewable energy transmission bonding fund;

5 (16) borrow money necessary to carry out the
6 purposes of the New Mexico Renewable Energy Transmission
7 Authority Act and mortgage and pledge any leases, loans or
8 contracts executed and delivered by the authority;

9 (17) sue and be sued; and

10 (18) adopt such reasonable administrative,
11 regulatory and procedural rules as may be necessary or
12 appropriate to carry out its powers and duties.

13 C. Except as provided in this subsection, the
14 authority shall not enter into any project if public utilities
15 or other private persons are performing the acts, are
16 constructing or have constructed the facilities, or are
17 providing the services contemplated by the authority, and are
18 willing to provide funds for and own new infrastructure to meet
19 an identified need and market. Before entering into a project,
20 the following procedures shall be implemented:

21 (1) the authority shall provide to each public
22 utility and publish one time in a newspaper of general
23 circulation in New Mexico and one time in a newspaper in the
24 area where the eligible facilities are contemplated and on a
25 publicly accessible web page maintained by the authority, an

.159309.2GR

underscoring material = new
~~[bracketed material] = delete~~

1 initial notice describing the project that the authority is
2 contemplating, including a detailed description of the existing
3 or anticipated renewable energy sources that justify the
4 determination by the authority that the project facilities are
5 eligible facilities. The description shall contain, at a
6 minimum, the names of all persons that already are or will
7 develop the renewable energy sources, all persons that will own
8 the renewable energy sources and the peak output capacity,
9 source type, location and anticipated connection date of the
10 renewable energy sources;

11 (2) any person with an interest that may be
12 affected by the proposed project shall have thirty days from
13 the date of the last publication of the initial notice to
14 challenge, in writing, the determination by the authority that
15 the facilities are eligible facilities. If a challenge is
16 received by the authority within the thirty days, the authority
17 shall hold a public hearing no sooner than thirty days after
18 receiving the challenge and after a minimum of two weeks notice
19 in the same newspapers and web page in which the initial notice
20 was given. Following the public hearing, the authority shall
21 make a final determination of eligibility and give notice of
22 the determination pursuant to Section 39-3-1.1 NMSA 1978. Any
23 person or governmental entity participating in the hearing may
24 appeal the final determination by filing a notice of appeal
25 with the district court pursuant to Section 39-3-1.1 NMSA 1978;

.159309.2GR

underscoring material = new
[bracketed material] = delete

1 (3) public utilities and other persons willing
2 and able to finance, acquire and operate the eligible
3 facilities described in the notice shall have ninety days from
4 the date of the final notice to notify the authority of
5 intention and ability to finance, acquire and operate the
6 eligible facilities described in the notice; and

7 (4) in the absence of notification by a public
8 utility or other person, or if a person, having given notice of
9 intention to provide funds for, acquire, maintain and operate
10 the eligible facilities contemplated by the authority, fails to
11 make a good faith effort to commence the same within twelve
12 months from the date of notification by the authority of its
13 intention, the authority may proceed to finance or plan,
14 acquire, maintain and operate the eligible facilities
15 originally contemplated, provided that a person that, within
16 the time required, has made necessary applications to acquire
17 federal, state, local or private permits, certificates or other
18 approvals necessary to acquire the eligible facilities shall be
19 deemed to have commenced the same as long as the person
20 diligently pursues the permits, certificates or other
21 approvals.

22 D. In soliciting and entering into contracts for
23 the transmission or storage of electricity, the authority and
24 any person leasing or operating eligible facilities financed or
25 acquired by the authority shall, if practical, give priority to

.159309.2GR

underscored material = new
[bracketed material] = delete

1 those contracts that will transmit or store electricity to be
2 sold and consumed in New Mexico.

3 E. The authority and any eligible facilities
4 acquired by the authority are not subject to the supervision,
5 regulation, control or jurisdiction of the public regulation
6 commission; provided that nothing in this subsection shall be
7 interpreted to allow a public utility to include the cost of
8 using eligible facilities in its rate base without the approval
9 of the public regulation commission.

10 F. In exercising its powers and duties, the
11 authority shall not own or control facilities unless:

12 (1) the facilities are leased to or held for
13 lease or sale to a public utility or such other person approved
14 by the public regulation commission;

15 (2) the operation, maintenance and use of the
16 facilities are vested by lease or other contract in a public
17 utility or such other person approved by the public regulation
18 commission; or

19 (3) the facilities are owned or controlled for
20 a period of not more than one hundred eighty days after
21 termination of a lease or contract described in Paragraph (1)
22 or (2) of this subsection or after the authority gains
23 possession of the facilities following a breach of such a lease
24 or contract or as a result of bankruptcy proceedings.

25 G. A public utility may recover the capital cost of

.159309.2GR

underscored material = new
[bracketed material] = delete

1 a project undertaken pursuant to the New Mexico Renewable
2 Energy Transmission Authority Act from its retail customers
3 only if the project has received a certificate of public
4 convenience and necessity from the public regulation
5 commission. Costs associated with a project undertaken
6 pursuant to the New Mexico Renewable Energy Transmission
7 Authority Act are not recoverable from retail utility customers
8 except to the extent the costs are prudently incurred and the
9 project is used and useful in serving those customers.

10 Section 6. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
11 BONDS--APPROPRIATION OF PROCEEDS.--

12 A. The authority is authorized to issue and sell
13 revenue bonds, known as "renewable energy transmission bonds",
14 payable solely from the renewable energy transmission bonding
15 fund, in compliance with the New Mexico Renewable Energy
16 Transmission Authority Act, for the purpose of entering into a
17 project when the authority determines that the project is
18 needed.

19 B. The net proceeds from the bonds are appropriated
20 to the authority for the purpose of financing or acquiring
21 eligible facilities.

22 Section 7. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
23 BONDING FUND CREATED--MONEY IN THE FUND PLEDGED.--

24 A. The "renewable energy transmission bonding fund"
25 is created in the state treasury. The fund shall consist of
.159309.2GR

underscored material = new
[bracketed material] = delete

1 revenues received by the authority from operating or leasing
2 eligible facilities, fees and service charges collected, and,
3 if the authority has provided financing for eligible
4 facilities, money from payments of principal of and interest on
5 loans. Earnings of the fund shall be credited to the fund.
6 Balances in the fund at the end of any fiscal year shall remain
7 in the fund, except as provided in this section.

8 B. Money in the renewable energy transmission
9 bonding fund is pledged for the payment of principal and
10 interest on all bonds issued pursuant to the New Mexico
11 Renewable Energy Transmission Authority Act. Money in the fund
12 is appropriated to the authority for the purpose of paying debt
13 service, including redemption premiums, on the bonds and the
14 expenses incurred in the issuance, payment and administration
15 of the bonds.

16 C. On the last day of January and the last day of
17 July of each year, the authority shall estimate the amount
18 needed to make debt service and other payments during the next
19 twelve months from the renewable energy transmission bonding
20 fund on the bonds plus the amount that may be needed for any
21 required reserves. The authority shall transfer to the
22 renewable energy transmission authority operational fund any
23 balance in the renewable energy transmission bonding fund above
24 the estimated amounts.

25 D. Bonds issued pursuant to the New Mexico

.159309.2GR

underscored material = new
[bracketed material] = delete

1 Renewable Energy Transmission Authority Act shall be payable
2 solely from the renewable energy transmission bonding fund or,
3 with the approval of the bondholders, such other special funds
4 as may be provided by law and do not create an obligation or
5 indebtedness of the state within the meaning of any
6 constitutional provision. No breach of any contractual
7 obligation incurred pursuant to that act shall impose a
8 pecuniary liability or a charge upon the general credit or
9 taxing power of the state, and the bonds are not general
10 obligations for which the state's full faith and credit is
11 pledged.

12 E. The state does hereby pledge that the renewable
13 energy transmission bonding fund shall be used only for the
14 purposes specified in this section and pledged first to pay the
15 debt service on the bonds issued pursuant to the New Mexico
16 Renewable Energy Transmission Authority Act. The state further
17 pledges that any law requiring the deposit of revenues in the
18 renewable energy transmission bonding fund or authorizing
19 expenditures from the fund shall not be amended or repealed or
20 otherwise modified so as to impair the bonds to which the
21 renewable energy transmission bonding fund is dedicated as
22 provided in this section.

23 Section 8. [NEW MATERIAL] AUTHORITY TO REFUND BONDS.--The
24 authority may issue and sell at public or private sale bonds to
25 refund outstanding renewable energy transmission bonds by

.159309.2GR

underscored material = new
[bracketed material] = delete

1 exchange, immediate or prospective redemption, cancellation or
2 escrow, including the escrow of debt service funds accumulated
3 for payment of outstanding bonds, or any combination thereof,
4 when, in its opinion, such action will be beneficial to the
5 state.

6 Section 9. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
7 BONDS--FORM--EXECUTION.--

8 A. The authority, except as otherwise specifically
9 provided in the New Mexico Renewable Energy Transmission
10 Authority Act, shall determine at its discretion the terms,
11 covenants and conditions of the bonds, including, but not
12 limited to, date of issue, denominations, maturities, rate or
13 rates of interest, call features, call premiums, registration,
14 refundability and other covenants covering the general and
15 technical aspects of the issuance of the bonds.

16 B. The bonds shall be in such form as the authority
17 may determine, and successive issues shall be identified by
18 alphabetical, numerical or other proper series designation.

19 C. Bonds shall be signed and attested by the
20 executive director of the authority and shall be executed with
21 the facsimile signature of the chair of the authority and the
22 facsimile seal of the authority, except for bonds issued in
23 book entry or similar form without the delivery of physical
24 securities. Any interest coupons attached to the bonds shall
25 bear the facsimile signature of the executive director of the

.159309.2GR

underscored material = new
[bracketed material] = delete

1 authority, which officer, by the execution of the bonds, shall
2 adopt as the executive director's own signature the facsimile
3 thereof appearing on the coupons. Except for bonds issued in
4 book entry or similar form without the delivery of physical
5 securities, the Uniform Facsimile Signature of Public Officials
6 Act shall apply, and the authority shall determine the manual
7 signature to be affixed on the bonds.

8 Section 10. [NEW MATERIAL] PROCEDURE FOR SALE OF
9 RENEWABLE ENERGY TRANSMISSION BONDS.--

10 A. Bonds shall be sold by the authority at such
11 times and in such manner as the authority may elect, either at
12 private sale for a negotiated price or to the highest bidder at
13 public sale for cash at not less than par and accrued interest.

14 B. In connection with any public sale of the bonds,
15 the authority shall publish a notice of the time and place of
16 sale in a newspaper of general circulation in the state and
17 also in a recognized financial journal outside the state. The
18 publication shall be made once each week for two consecutive
19 weeks prior to the date fixed for such sale, the last
20 publication to be two business days prior to the date of sale.
21 The notice shall specify the amount, denomination, maturity and
22 description of the bonds to be offered for sale and the place,
23 day and hour at which sealed bids therefor shall be received.
24 All bids, except those of the state, shall be accompanied by a
25 deposit of two percent of the principal amount of the bonds.

.159309.2GR

underscored material = new
[bracketed material] = delete

1 Deposits of unsuccessful bidders shall be returned upon
2 rejection of the bid. At the time and place specified in such
3 notice, the authority shall open the bids in public and shall
4 award the bonds, or any part thereof, to the bidder or bidders
5 offering the best price. The authority may reject any or all
6 bids and readvertise.

7 C. The authority may sell a bond issue, or any part
8 thereof, to the state or to one or more investment bankers or
9 institutional investors at private sale.

10 Section 11. [NEW MATERIAL] NEW MEXICO RENEWABLE ENERGY
11 TRANSMISSION AUTHORITY ACT IS FULL AUTHORITY FOR ISSUANCE OF
12 BONDS--BONDS ARE LEGAL INVESTMENTS.--

13 A. The New Mexico Renewable Energy Transmission
14 Authority Act is, without reference to any other act of the
15 legislature, full authority for the issuance and sale of
16 renewable energy transmission bonds, which bonds shall have all
17 the qualities of investment securities under the Uniform
18 Commercial Code and shall not be invalid for any irregularity
19 or defect or be contestable in the hands of bona fide
20 purchasers or holders thereof for value.

21 B. The bonds are legal investments for any person
22 or board charged with the investment of any public funds and
23 are acceptable as security for any deposit of public money.

24 Section 12. [NEW MATERIAL] SUIT MAY BE BROUGHT TO COMPEL
25 PERFORMANCE OF OFFICERS.--Any holder of bonds or any person or

.159309.2GR

underscoring material = new
[bracketed material] = delete

1 officer being a party in interest may sue to enforce and compel
2 the performance of the provisions of the New Mexico Renewable
3 Energy Transmission Authority Act.

4 Section 13. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
5 BONDS TAX EXEMPT.--All renewable energy transmission bonds are
6 exempt from taxation by the state or any of its political
7 subdivisions.

8 Section 14. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
9 AUTHORITY OPERATIONAL FUND.--The "renewable energy transmission
10 authority operational fund" is created in the state treasury.
11 The fund shall consist of money appropriated and transferred to
12 the fund. Earnings from investment of the fund shall be
13 credited to the fund. Money in the fund is appropriated to the
14 authority for the purpose of carrying out the provisions of the
15 New Mexico Renewable Energy Transmission Authority Act. Any
16 unexpended or unencumbered balance remaining at the end of a
17 fiscal year shall not revert. Disbursements from the fund
18 shall be made upon warrants drawn by the secretary of finance
19 and administration pursuant to vouchers signed by the executive
20 director of the authority.

21 Section 15. [NEW MATERIAL] REPORT TO LEGISLATURE.--The
22 authority shall submit a report of its activities to the
23 governor and to the legislature not later than December 1 of
24 each year. Each report shall set forth a complete operating
25 and financial statement covering its operations for the

.159309.2GR

underscored material = new
[bracketed material] = delete

1 previous fiscal year.

2 Section 16. [NEW MATERIAL] LEGISLATIVE OVERSIGHT
3 COMMITTEE.--

4 A. The "New Mexico renewable energy transmission
5 authority oversight committee" is created as a joint interim
6 legislative committee. The New Mexico legislative council
7 shall determine the membership of the committee and shall
8 appoint the members and designate the chair and the vice chair
9 in accordance with legislative council policies. The staff for
10 the committee shall be provided by the legislative council
11 service.

12 B. The New Mexico renewable energy transmission
13 authority oversight committee shall:

14 (1) monitor and oversee the operation of the
15 authority;

16 (2) meet on a regular basis to receive and
17 review reports from the authority on implementation of the
18 provisions of the New Mexico Renewable Energy Transmission
19 Authority Act and to review rules proposed for adoption
20 pursuant to that act;

21 (3) review and provide assistance and advice
22 to the authority before the authority enters into a project;

23 (4) undertake an ongoing examination of the
24 statutes, constitutional provisions, regulations and court
25 decisions governing energy transmission and renewable energy

.159309.2GR

underscored material = new
[bracketed material] = delete

1 development; and

2 (5) report its findings and recommendations,
3 including recommended legislation or necessary changes, to the
4 governor and to each session of the legislature. The report
5 and proposed legislation shall be made available on or before
6 December 15 of each year.

7 Section 17. A new section of the Gross Receipts and
8 Compensating Tax Act is enacted to read:

9 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--RECEIPTS
10 FROM SELLING EQUIPMENT OR CERTAIN SERVICES FOR CERTAIN ELECTRIC
11 TRANSMISSION FACILITIES.--The receipts from selling equipment
12 or providing services to the New Mexico renewable energy
13 transmission authority or an agent or lessee of the authority
14 for the planning, construction, repair, maintenance or
15 operation of an eligible facility acquired by the authority
16 pursuant to the New Mexico Renewable Energy Transmission
17 Authority Act may be deducted from gross receipts."

18 Section 18. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2006.

20 - 23 -
21
22
23
24
25