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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/10

SPONSOR Keller LAST UPDATED HB

SHORT TITLE State Energy Policy Inventory SJM 2

ANALYST Pava

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Renewable Energy Transmission Authority (RETA)
 Energy, Minerals, Natural Resources (EMNR)
 Economic Development Dept. (EDD)
 Public Regulation Commission (PRC)
 Office of State Engineer (OSE)
 NM Environment Dept. (NMED)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 2 requests the Energy, Minerals and Natural Resources Department to convene a working group of staff from the Energy, Minerals and Natural Resources Department, Environment Department, Renewable Energy Transmission Authority, Office of the State Engineer, Economic Development Department, Public Regulation Commission, and the Governor's Office, together with private and nonprofit sector representatives to:

- Compile an inventory of major energy policies, targets, commitments and existing strategic plans; recommend a strategy to develop a comprehensive energy plan;
- Review other states' successful energy planning practices;
- Present the inventory to a relevant legislative interim committee and make it digitally available to the public on the department web site by October 2010.
- Incorporated inventory into existing energy related task forces, working groups or agency activities.

FISCAL IMPLICATIONS

There is no explicit fiscal impact, but it will require concerted staff work at the six named agencies and thus pulling them away from other tasks, especially given any hiring freeze. Staff time will be devoted to the convening the working group, collecting data, and developing a final report. If these agencies face staff reductions, timely completion of this effort could be impacted.

SIGNIFICANT ISSUES

EMNR notes an inventory of major energy policies was performed in compliance with Executive Order (E.O. 10-01) ordering the Green Jobs Cabinet to implement Clean Energy Economy Actions, including actions embodied in the following executive orders:

1. Executive Order 2004-19: Declaring New Mexico the "Clean Energy State," Creating a Clean Energy Development Council and Directing State Agencies to Support and Participate;
2. Executive Order 2005-33: Climate Change and Greenhouse Gas Reduction;
3. Executive Order 2005-49: Requiring the Increased Use of Renewable Fuels in New Mexico State Government;
4. Executive Order 2006-01: State of New Mexico Energy Efficient Green Building Standards for State Buildings;
5. Executive Order 2006-69: New Mexico Climate Change Action;
6. Executive Order 2007-053: Increasing Energy Efficiency in State Government by 2015 and Statewide by 2012 and 2020;
7. Executive Order 2008-028: Establishing a Strong Telework and Flexible Work Hours Program to Help Reduce Fuel Use and Taxpayer Costs;
8. Executive Order 2009-002: Expanding New Mexico's Clean Energy Economy; and
9. Executive Order 2009-047: Establishing New Mexico as a Leader in Addressing Climate Change.

These executive orders contain policies, targets, and commitments that would be part of the inventory listing. It would assist the public and agencies in identifying overall, statewide requirements that could be the first step in developing a comprehensive plan for energy in New Mexico.

Given that there are diverse stakeholders in New Mexico with varying perspectives on a desirable energy policy, an effort to outline a structure and execute a process for the development of a comprehensive energy policy could be beneficial.

PERFORMANCE IMPLICATIONS

The final report by the working group should be of assistance to agencies in implementing statutes and rules relating to energy. It aligns with ECMD's mission to support renewable energy production and encourage energy conservation and efficiency.

However, it will require agencies to reallocate already scarce staff resources from their primary duties. The cumulative impact to staff resources coupled with furlough days and reduction in workload will have a negative impact on overall agency performance.

Improved, consistent planning for energy development will assist in meeting existing NMED and the Governor's Executive Order on Climate Change air quality goals.

ADMINISTRATIVE IMPLICATIONS

These efforts will require cross-agency coordination and substantial staff time.

ALTERNATIVES

EMNR requests that Executive Order 2010-01 be allowed to proceed in lieu of establishing another working group, with assurances that staff to the Green Jobs Cabinet testifies to the relevant interim committee on its activities and proposed actions.

EDD notes appropriating funds for a more extensive planning process, engaging experts, citizens and state government agencies may result in the desired energy policy sooner.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The major energy efficiency and renewable energy initiatives underway in New Mexico will continue on their current paths. The state may not be taking explicit steps to develop a comprehensive energy policy and attempts to integrate energy-related policies and commitments across state government will be fragmented, so agencies will continue addressing energy legislation and plans on a case-by-case basis.

CP/mew