

1 HOUSE BILL 263

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 George Dodge, Jr.

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10 AN ACT

11 RELATING TO UTILITIES; ALLOWING RENEWABLE ENERGY CERTIFICATES
12 TO BE ISSUED FOR THE USE OF THERMAL ENERGY PRODUCED BY
13 GEOTHERMAL ENERGY SOURCES; SETTING STANDARDS FOR MEASUREMENT OF
14 THERMAL ENERGY AND GEOTHERMAL HEAT PUMPS; DEFINING "USEFUL
15 THERMAL ENERGY".

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. Section 62-15-35 NMSA 1978 (being Laws 2007,
19 Chapter 4, Section 2) is amended to read:

20 "62-15-35. RENEWABLE ENERGY CERTIFICATES--COMMISSION
21 DUTIES.--The public regulation commission shall establish:

22 A. a system of renewable energy certificates that
23 can be used by a distribution cooperative to establish
24 compliance with the renewable portfolio standard and that may
25 include certificates that are monitored, accounted for or

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1 transferred by or through a regional system or trading program
2 for any region in which a rural electric cooperative is
3 located. The kilowatt-hour value of renewable energy
4 certificates may be varied by renewable energy resource or
5 technology; provided that:

6 (1) each renewable energy certificate shall
7 have a minimum value of one kilowatt-hour for purposes of
8 compliance with the renewable portfolio standard;

9 (2) three thousand four hundred twelve British
10 thermal units of useful thermal energy is equivalent to at
11 least one kilowatt-hour for purposes of compliance with the
12 renewable portfolio standard; and

13 (3) the following equation shall be used to
14 calculate the renewable energy credit value for a geothermal
15 heat pump system: (coefficient of performance of heat pump
16 unit - 1) X (ton rating of heat pump unit/.9) = renewable
17 energy credit; and

18 B. requirements and procedures concerning renewable
19 energy certificates that include the provisions that:

20 (1) renewable energy certificates:

21 (a) are owned by the generator of the
22 renewable energy unless: 1) the renewable energy certificates
23 are transferred to the purchaser of the energy through specific
24 agreement with the generator; 2) the generator is a qualifying
25 facility, as defined by the federal Public Utility Regulatory

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1 Policies Act of 1978, in which case the renewable energy
2 certificates are owned by the distribution cooperative
3 purchaser of the renewable energy unless retained by the
4 generator through specific agreement with the distribution
5 cooperative purchaser of the energy; or 3) a contract for the
6 purchase of renewable energy is in effect prior to January 1,
7 2004, in which case the renewable energy certificates are owned
8 by the purchaser of the energy for the term of such contract;

9 (b) may be traded, sold or otherwise
10 transferred by their owner to any other party; provided that
11 the transfers and use of the certificate by a distribution
12 cooperative for compliance with the renewable energy portfolio
13 standard shall require the electric or useful thermal energy
14 represented by the certificate to be contracted for delivery or
15 consumed, or generated by an end-use customer of the
16 distribution cooperative in New Mexico unless the commission
17 determines that the distribution cooperative is participating
18 in a national or regional market for exchanging renewable
19 energy certificates;

20 (c) that are used for the purpose of
21 meeting the renewable portfolio standard shall be registered,
22 beginning January 1, 2008, with a renewable energy generation
23 information system that is designed to create and track
24 ownership of renewable energy certificates and that, through
25 the use of independently audited generation data, verifies the

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1 generation and delivery of electricity or useful thermal energy
2 associated with each renewable energy certificate and protects
3 against multiple counting of the same renewable energy
4 certificate;

5 (d) that are used once by a distribution
6 cooperative to satisfy the renewable portfolio standard and are
7 retired or that are traded, sold or otherwise transferred by
8 the distribution cooperative shall not be further used by the
9 distribution cooperative; and

10 (e) that are not used by a distribution
11 cooperative to satisfy the renewable portfolio standard or that
12 are not traded, sold or otherwise transferred by the
13 distribution cooperative may be carried forward for up to four
14 years from the date of issuance and, if not used by that time,
15 shall be retired by the distribution cooperative; and

16 (2) a distribution cooperative shall be
17 responsible for demonstrating that a renewable energy
18 certificate used for compliance with the renewable portfolio
19 standard is derived from eligible renewable energy resources
20 and has not been retired, traded, sold or otherwise transferred
21 to another party."

22 SECTION 2. Section 62-15-37 NMSA 1978 (being Laws 2007,
23 Chapter 4, Section 4) is amended to read:

24 "62-15-37. DEFINITIONS--ENERGY EFFICIENCY--RENEWABLE
25 ENERGY.--As used in the Rural Electric Cooperative Act:

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1 A. "energy efficiency" means measures, including
2 energy conservation measures, or programs that target consumer
3 behavior, equipment or devices to result in a decrease in
4 consumption of electricity without reducing the amount or
5 quality of energy services; ~~and~~

6 B. "renewable energy" means electric or useful
7 thermal energy:

8 (1) generated by use of low- or zero-emissions
9 generation technology with substantial long-term production
10 potential; and

11 (2) generated by use of renewable energy
12 resources that may include:

13 (a) solar, wind and geothermal
14 resources;

15 (b) hydropower facilities brought in
16 service after July 1, 2007;

17 (c) fuel cells that are not fossil
18 fueled; and

19 (d) biomass resources, such as
20 agriculture or animal waste, small diameter timber, salt cedar
21 and other phreatophyte or woody vegetation removed from river
22 basins or watersheds in New Mexico, landfill gas and
23 anaerobically digested waste biomass; but

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

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