AN ACT

RELATING TO ELECTRIC UTILITIES; AMENDING DEFINITIONS IN THE
RURAL ELECTRIC COOPERATIVE ACT AND THE RENEWABLE ENERGY ACT.

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

SECTION 1. Section 62-15-37 NMSA 1978 (being Laws 2007,
Chapter 4, Section 4, as amended) is amended to read:

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

A. "clean hydrogen electric generation facility"
means an electric power generation facility located in New
Mexico that uses one hundred percent hydrogen to generate
electricity, whose electrical output can be controlled to aid
in balancing electric supply and demand and emits no more than
three hundred seventy-five pounds of carbon dioxide equivalent
per megawatt hour and that:
(1) provides for the permanent sequestration of carbon dioxide created in the production of clean hydrogen by the hydrogen fuel or hydrogen resource generator, either by the creator of the carbon dioxide or by a purchaser of the carbon dioxide; and

(2) provides certification that methane gas produced or purchased for the generation of hydrogen is responsibly sourced gas;

[A] B. "energy efficiency" means measures, including energy conservation measures, or programs that target consumer behavior, equipment or devices to result in a decrease in consumption of electricity without reducing the amount or quality of energy services;

C. "permanent sequestration of carbon dioxide" means carbon dioxide injected pursuant to a monitoring and verification plan approved pursuant to Code of Federal Regulations Title 40, Chapter 1, Subchapter C, Part 98, Subpart RR as follows:

(1) prior to January 1, 2030, any source category defined in Code of Federal Regulations Title 40, Chapter 1, Subchapter C, Part 98, Subpart RR, Section 98.440; and

(2) on or after January 1, 2030, any source category defined in Code of Federal Regulations Title 40, Chapter 1, Subchapter C, Part 98, Subpart RR, Section 98.440,
Paragraphs (a) and (b), excluding any well or group of wells where a carbon dioxide stream is being injected in subsurface geologic formations to enhance the recovery of oil or natural gas;

[D-] D. "renewable energy" means electric energy generated by use of renewable energy resources and delivered to a rural electric cooperative;

[G-] E. "renewable energy certificate" means a certificate or other record, in a format approved by the public regulation commission, that represents all the environmental attributes from one megawatt-hour of electricity generated from renewable energy;

[D-] F. "renewable energy resource" means electric or useful thermal energy:

(1) generated by use of the following energy resources, with or without energy storage and delivered to a rural electric cooperative:

(a) solar, wind and geothermal;

(b) hydropower facilities brought in service on or after July 1, 2007;

(c) other hydropower facilities supplying no greater than the amount of energy from hydropower facilities that were part of an energy supply portfolio prior to July 1, 2007;

(d) fuel cells that do not use fossil
fuels to create electricity;

(e) biomass resources, limited to agriculture or animal waste, small diameter timber, not to exceed eight inches, salt cedar and other phreatophyte or woody vegetation removed from river basins or watersheds in New Mexico; provided that these resources are from facilities certified by the energy, minerals and natural resources department to: 1) be of appropriate scale to have sustainable feedstock in the near vicinity; 2) have zero life cycle carbon emissions; and 3) meet scientifically determined restoration, sustainability and soil nutrient principles; and

(f) landfill gas and anaerobically digested waste biomass; and

(2) does not include electric energy generated by use of fossil fuel or nuclear energy;

G. "responsibly sourced gas" means gas used or purchased to produce hydrogen that either:

(1) meets the standard for methane gas allowed to be used in hydrogen hub projects as promulgated by the federal government pursuant to Title 8 of the federal Energy Policy Act of 2005; or

(2) in the absence of a federal standard, is certified as a responsibly sourced gas by an independent organization with nationally recognized expertise to provide such certification and such independent organization and
certification are approved by the department of environment;

[E.] H. "useful thermal energy" means renewable energy delivered from a source that can be metered and that is delivered in the state to an end user in the form of direct heat, steam or hot water or other thermal form that is used for heating, cooling, humidity control, process use or other valid end-use energy requirements and for which fossil fuel or electricity would otherwise be consumed;

[F.] I. "zero carbon resource" means an electricity generation resource:

(1) that emits no carbon dioxide into the atmosphere; [E.F]

(2) that reduces methane emitted into the atmosphere in an amount equal to no less than one-tenth of the tons of carbon dioxide emitted into the atmosphere, as a result of electricity production; or

(3) that is a clean hydrogen electric generation facility; and

[G.] J. "zero carbon resource standard" means providing New Mexico rural electric cooperative retail customers with electricity generated from one hundred percent zero carbon resources."

SECTION 2. Section 62-16-3 NMSA 1978 (being Laws 2004, Chapter 65, Section 3, as amended) is amended to read:

"62-16-3. DEFINITIONS.--As used in the Renewable Energy
A. "clean hydrogen electric generation facility" means an electric power generation facility located in New Mexico that uses one hundred percent hydrogen to generate electricity, whose electrical output can be controlled to aid in balancing electric supply and demand and emits no more than three hundred seventy-five pounds of carbon dioxide equivalent per megawatt hour and that:

(1) provides for the permanent sequestration of carbon dioxide created in the production of clean hydrogen by the hydrogen fuel or hydrogen resource generator, either by the creator of the carbon dioxide or by a purchaser of the carbon dioxide; and

(2) provides certification that methane gas produced or purchased for the generation of hydrogen is responsibly sourced gas;
means carbon dioxide injected pursuant to a monitoring and
verification plan approved pursuant to Code of Federal
Regulations Title 40, Chapter 1, Subchapter C, Part 98, Subpart
RR as follows:

   (1) prior to January 1, 2030, any source
category defined in Code of Federal Regulations Title 40,
Chapter 1, Subchapter C, Part 98, Subpart RR, Section 98.440;
and

   (2) on or after January 1, 2030, any source
category defined in Code of Federal Regulations Title 40,
Chapter 1, Subchapter C, Part 98, Subpart RR, Section 98.440,
Paragraphs (a) and (b), excluding any well or group of wells
where a carbon dioxide stream is being injected in subsurface
denologic formations to enhance the recovery of oil or natural
gas;

[D-] F. "public utility" means an entity certified
by the commission to provide retail electric service in New
Mexico pursuant to the Public Utility Act but does not include
rural electric cooperatives;

[E-] G. "reasonable cost threshold" means an
average annual levelized cost of sixty dollars ($60.00) per
megawatt-hour at the point of interconnection of the renewable
electricity resource with the transmission system, adjusted for
inflation after 2020;

[F-] H. "renewable energy" means electric energy
generated by use of renewable energy resources and delivered to
a public utility;

[Gr] L. "renewable energy certificate" means a
certificate or other record, in a format approved by the
commission, that represents all the environmental attributes
from one megawatt-hour of electricity generated from renewable
energy;

[Hr] L. "renewable energy resource" means the
following energy resources, with or without energy storage:

(1) solar, wind and geothermal;

(2) hydropower facilities brought in service
on or after July 1, 2007;

(3) biomass resources, limited to agriculture
or animal waste, small diameter timber, not to exceed eight
inches, salt cedar and other phreatophyte or woody vegetation
removed from river basins or watersheds in New Mexico; provided
that these resources are from facilities certified by the
energy, minerals and natural resources department to:

(a) be of appropriate scale to have
sustainable feedstock in the near vicinity;

(b) have zero life cycle carbon
emissions; and

(c) meet scientifically determined
restoration, sustainability and soil nutrient principles;

(4) fuel cells that do not use fossil fuels to
create electricity; and

(5) landfill gas and anaerobically digested waste biogas;

[I.] K. "renewable portfolio standard" means the minimum percentage of retail sales of electricity by a public utility to electric consumers in New Mexico that is required by the Renewable Energy Act to be from renewable energy;

[J.] L. "renewable purchased power agreement" means an agreement that binds an entity generating power from renewable energy resources to provide power at a specified price and binds the purchaser to that price;

M. "responsibly sourced gas" means gas used or purchased to produce hydrogen that either:

(1) meets the standard for methane gas allowed to be used in hydrogen hub projects as promulgated by the federal government pursuant to Title 8 of the federal Energy Policy Act of 2005; or

(2) in the absence of a federal standard, is certified as a responsibly sourced gas by an independent organization with the nationally recognized expertise to provide such certification and such independent organization and certification are approved by the department of environment;

[K.] N. "zero carbon resource" means an electricity generation resource:
(1) that emits no carbon dioxide into the atmosphere; or

(2) that reduces methane emitted into the atmosphere in an amount equal to no less than one-tenth of the tons of carbon dioxide emitted into the atmosphere, as a result of electricity production; or

(3) that is a clean hydrogen electric generation facility; and

[L to R] 0. "zero carbon resource standard" means providing New Mexico public utility customers with electricity generated from one hundred percent zero carbon resources."