

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 456

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

AN ACT

RELATING TO PUBLIC UTILITIES; REQUIRING ELECTRIC PUBLIC UTILITIES TO FILE A GRID MODERNIZATION PLAN WITH THE PUBLIC REGULATION COMMISSION; AUTHORIZING THE PUBLIC REGULATION COMMISSION TO MAKE RULES REGARDING GRID MODERNIZATION PLANS; CREATING AN ENERGY STORAGE DEVELOPMENT TARGET; REQUIRING ENERGY STORAGE PROCUREMENT AND DEPLOYMENT TO BE ADDRESSED AS PART OF RESOURCE PLANS.

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

SECTION 1. A new section of Chapter 62, Article 8 NMSA 1978 is enacted to read:

"[NEW MATERIAL] GRID MODERNIZATION PLAN.--

A. Pursuant to the commission's rulemaking authority, a qualifying utility shall periodically file a grid modernization plan with the commission. A grid modernization

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1 plan shall address evaluation metrics as determined by the
2 commission, which may include measures of cost-effectiveness
3 and reliability of the distribution grid and how the plans are
4 consistent with the state's roadmap for grid modernization.

5 B. By October 1, 2024, the commission shall
6 promulgate rules to implement the provisions of this section.

7 C. The provisions of this section do not apply to a
8 cooperative organized pursuant to the Rural Electric
9 Cooperative Act.

10 D. As used in this section, "qualifying utility"
11 means an investor-owned electric public utility certified by
12 the commission to provide retail electric service in New Mexico
13 pursuant to the Public Utility Act."

14 SECTION 2. A new section of the Public Utility Act is
15 enacted to read:

16 "[NEW MATERIAL] ENERGY STORAGE DEPLOYMENT TARGET.--

17 A. New Mexico shall adopt a target for energy
18 storage deployment brought to commercial operation after
19 December 31, 2022 in New Mexico as follows:

20 (1) by December 31, 2028, one thousand
21 megawatts of new energy storage capacity capable of
22 cumulatively delivering more than four thousand megawatt-hours
23 of electricity; and

24 (2) by December 31, 2033, an additional one
25 thousand megawatts for a total of two thousand megawatts of new

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1 energy storage capacity capable of cumulatively delivering more
2 than eight thousand megawatt-hours of electricity.

3 B. The megawatt and megawatt-hour targets specified
4 in Subsection A of this section may be increased based on
5 analysis conducted by the commission. The commission may also
6 establish additional energy storage deployment targets.

7 C. The amount of energy storage capacity that an
8 individual qualifying utility may be required to procure or
9 deploy by the commission, as part of the statewide energy
10 storage target set forth in Subsection A of this section, shall
11 be determined by the commission.

12 D. The commission shall require qualifying
13 utilities to incorporate the amount of energy storage capacity
14 that an individual qualifying utility may be required to
15 procure or deploy by the commission into integrated resource
16 plans pursuant to the Efficient Use of Energy Act, grid
17 modernization plans pursuant to Section 1 of this 2023 act or
18 renewable energy plans pursuant to the Renewable Energy Act, as
19 determined by the commission and starting with planning cycles
20 commencing after July 1, 2023.

21 E. Each qualifying utility shall petition the
22 commission for necessary approvals to construct or acquire the
23 energy storage systems to achieve its required procurement or
24 deployment of energy storage capacity.

25 F. Any type of energy storage system installed and

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1 operational in New Mexico after December 31, 2023 shall qualify
2 toward the targets set forth in this section.

3 G. As used in this section:

4 (1) "deploy" or "deployment" means to bring an
5 energy storage system to commercial operation or to establish a
6 contractual right to use the energy from, or the capacity of,
7 an energy storage system;

8 (2) "energy storage capacity" means the
9 nameplate capacity of an energy storage system or systems,
10 measured as the maximum rate or amount of energy that can be
11 stored or delivered, in megawatts or kilowatts;

12 (3) "energy storage system" means commercially
13 available technology that is capable of retaining energy,
14 storing the energy for a period of time and delivering the
15 energy after storage by chemical, thermal, mechanical or other
16 means;

17 (4) "procure" or "procurement" means to
18 acquire by ownership or by a contractual right to use the
19 energy from, or the capacity of, an energy storage system; and

20 (5) "qualifying utility" means an investor-
21 owned electric public utility certified by the commission to
22 provide retail electric service in New Mexico pursuant to the
23 Public Utility Act."

24 SECTION 3. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is July 1, 2023.

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