

<b>LFC Requester:</b>	
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 01-31-R2024  
**Bill No:** HB 9

**Sponsor:** Rep. Dixon, Rep. Small  
**Short Title:** Climate, Energy & Water Division

**Agency Name and Code:** New Mexico Renewable Energy Transmission Authority (NM RETA)  
**Number:** \_\_\_\_\_  
**Person Writing:** Fernando Martinez  
**Phone:** 505-699-0651    **Email:** fernando@nmreta.net

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NA	\$10,000.0	Nonrec	Climate, Energy and Water Project Fund
NA	\$5,000.0	Nonrec	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
NA	\$0.0	\$0.0	--	--

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	NA	\$0.0	\$0.0	\$0.0	--	--

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates HB237.

Duplicates/Relates to Appropriation in the General Appropriation Act:

Duplicates Appropriations in HB237 for (a) Climate, Energy and Water Project Fund and (b) General Fund.

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

House Bill 9 (HB9) amends the Economic Development Department Act (Chapter 9, Article 15) to add a Climate, Water, and Energy Division. The Division would serve as project navigators, identify site ready locations, provide recommendations for streamlining, work with pertinent entities, establish programs and grants for conservation technology pilot and demonstration projects, and develop a two-year strategic plan related to climate, water, and energy. The Division will also create programs to support decarbonization, electricity generation, transportation, agriculture, and buildings. The Division can enter into agreements to share employees with the Department of Environment; the Energy, Minerals, and Natural Resources Department; and Workforce Solutions Department.

HB9 directs the Division to establish a decarbonization technology program to recruit related companies; coordinate and link projects to existing entities in the state; promote technology transfers, commercialization, and research; incentive decarbonization efforts; make policy recommendations; and establish a carbon concierge program.

HB9 also creates a Climate, Energy, and Water Project Fund. The Project Fund is nonreverting and can be used for matching grants, conservation technologies projects, and to study and research the development of clean energy and energy conservation. Eligible entities for the grant are wide ranging and include state agencies, school districts and public post-secondary education institutions, public improvement districts, and Indian nations.

HB9 contains two appropriations. \$10 million is appropriated from the General Fund to the Project Fund for expenditure in FY25 and subsequent fiscal years. This bill also appropriates \$5 million from the General Fund to the proposed Division for expenditure in FY25.

HB9 does not contain an effective date. The bill would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

**FISCAL IMPLICATIONS**

HB9 does not have fiscal implications for NM RETA. HB9 provides funding for grants to government agencies and for Division staff and its administration. Both funding sources are

nonrecurring, but the \$5 million in FY25 for Division operations would be anticipated to continue in FY26 and further out if the Division is to continue.

### **SIGNIFICANT ISSUES**

Permitting can adversely affect implementation of essential clean energy projects. The new Division's duty to navigate project permitting could be crucial for timely renewable energy development.

### **PERFORMANCE IMPLICATIONS**

HB9 does not directly affect the performance of NM RETA. The new Division at the Economic Development Department may need to consult with and utilize resources of existing state agencies with expertise in specific climate, energy, and water topics.

### **ADMINISTRATIVE IMPLICATIONS**

HB9 does not directly affect the administration of NM RETA. The Economic Development Department would need to staff the new Division.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 237 (HB237) duplicates HB9. HB237 creates in statute an authority with an executive board that can hire staff, with appropriations for a Fund and for operations. This authority would perform nearly identical duties and functions as the state agency Division created in HB9.

### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

None.

### **ALTERNATIVES**

HB237 would be a nearly identical approach, if the House allows it to move forward.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Existing climate change programs in the state government executive branch would continue operating.

### **AMENDMENTS**

None.