

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

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

**Analysis.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** 1-26-24  
**Bill No:** HB 237

**Sponsor:** Rep. Meredith A. Dixon  
Rep. Kristina Ortez  
Rep. Nathan P. Small  
**Short Title:** CLIMATE, ENERGY AND  
WATER AUTHORITY ACT

**Agency Name and Code** State Land Office - 539  
**Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0	10,000	Nonrecurring	General Fund
0	5,000	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
None	None	None		

(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>	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

HB237 enacts the Climate, Energy and Water Authority Act (the “Act”), which creates a new government authority, defines that authority’s powers, establishes a decarbonization program, and creates a new fund.

The Act would create the Climate, Energy and Water Authority (the “Authority”), which would have a fifteen-member board. The seven ex-officio voting members of the board would include the following (or their designee):

- the secretary of the environment;
- the secretary of energy, minerals, and natural resources;
- the secretary of economic development;
- the secretary of transportation;
- the governor’s chief of staff;
- the secretary of finance and administration; and
- the secretary of Indian affairs.

The six voting members would be appointed by the governor and would include:

- one representative of a higher education institution;
- one representative of an Indian nation, tribe, or pueblo;
- two representatives from national laboratories; and
- two representatives from the private sector

The two ex-officio non-voting members would include the following (or their designee):

- the executive director of the renewable energy transmission authority; and
- the chair of the public regulation commission

The board will appoint the executive director of the Authority who will have the authority to direct the Authority pursuant to the direction of the board.

The Authority is granted the duty and powers to:

- serve as the project permitting navigators for “climate, energy and water projects,” including identifying the locations for such projects and providing recommendations to the governor and legislature concerning streamlining the permitting of such projects;
- work and coordinate with various governmental, non-governmental, industry, and

- educational institutions concerning workforce development, industry relations, federal grants, and climate, energy and water technology and economics;
- establish rules and guidelines for programs and grants for clean energy, water, and energy conservation technology projects;
  - develop a two-year strategic plan;
  - create programs to support decarbonization in New Mexico;
  - make rules to carry out the purposes of the Act;
  - enter into contracts in order to carry out the purposes of the Act;
  - share employees with the department of environment; energy, minerals and natural resources department; and workforce solutions department.

The Act requires the Authority to establish a decarbonization technology program to facilitate decarbonization efforts, attract climate, energy, and water technology companies to the state, and promote the use and development of climate, energy, and water technology in the state. The Authority would additionally make recommendations for policy and statutory changes related to decarbonization.

The Act would create a climate, energy and water project fund as a non-reverting fund administered by the Authority to make grants towards: matching federal grants in clean energy projects; pilot and demonstration projects of clean energy, water and energy conservation technologies; and research concerning the development of clean energy and energy conservation.

The bill would appropriate ten million dollars (\$10,000,000) in fiscal year 2025 for the fund and five million dollars (\$5,000,000) to carry out the purposes of the Act.

## **FISCAL IMPLICATIONS**

No direct fiscal impact on the NMSLO.

## **SIGNIFICANT ISSUES**

Section 4 grants the Authority the power to serve as “project permitting navigators for climate, energy and water projects” but does not define what constitute “climate, energy and water projects” in the definitions provided in Section 2. Without clearer guidance on what projects are included and without a clearer definition of what it means to be a “project permitting navigator,” the relationship between the Authority and existing regulatory and permitting agencies may be unclear in practice.

The seven ex-officio voting board members include the secretaries of several agencies with missions related to the environment or natural resources, or their designees. Despite managing a significant portion of the natural resources of the state found across nine million surface and 13 million mineral acres of state trust land, the Commissioner of Public Lands or her designee is not included as a board member. Because the Commissioner and the State Land Office manage a significant amount of land and natural resources in New Mexico, the State Land Office suggests that the Commissioner be added as an ex-officio board member.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**

Add the Commissioner of Public Lands or their designee to the list of ex-officio members in Section 3(B)(3).