

LFC Requester:	Laird Graeser
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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: Date 1/17/24
Original **Amendment** **Bill No:** SB2
Correction **Substitute**

Sponsor: Sen. Hamblen **Agency Name and Code** HSD-630
Short Title: Low Income Solar Act **Number:** _____
Title: _____ **Person Writing** Marilyn Wright
Phone: _____ **Email** Marilyn.wright@hsd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$0.00	\$0.00	None	None

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
\$0.00	\$0.00	\$0.00	None	None

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.00	\$0.00	\$0.00	\$0.00	None	None

(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:

Senate Bill 2 (SB2) adds the Low-income Solar Act to the Public Utility Act, which requires utilities to provide virtual net metering for qualifying low-income multifamily residential properties. SB2 is an Act relating to utilities requiring equitable distribution of benefits of on-site solar generated energy generated on affordable housing. SB also grants a property tax zero valuation for all solar energy systems, not just those discussed in the Low-income Solar Act. This Act restricts some utility fees for solar on affordable housing.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

SB2 is unclear what incentive the owner of a qualifying low-income multifamily residential property would have to incur the capital cost of installing such a system. As the capital cost of the system and production meter and the cost of needed upgrades to the utility system may be significant, there may not be sufficient financial incentive for the installation of such systems.

It is also noted that the legislation does not prevent a building owner from increasing tenant rent to pay for the cost of solar energy systems. This could result in unintended consequences for landlords to increase their low-income residents' rent to offset system installation costs, which could offset any financial benefit the tenants were supposed to receive.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None