

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE SUBSTITUTE  
FOR HOUSE BILL 9

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE CLIMATE, ENERGY  
AND WATER DIVISION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT;  
PROVIDING THE POWERS AND DUTIES OF THE DIVISION; ESTABLISHING  
THE DECARBONIZATION TECHNOLOGY PROGRAM; CREATING THE CLIMATE,  
ENERGY AND WATER PROJECT FUND; MAKING APPROPRIATIONS.

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

SECTION 1. Section 9-15-4 NMSA 1978 (being Laws 1983,  
Chapter 297, Section 4, as amended) is amended to read:

"9-15-4. DEPARTMENT ESTABLISHED.--The "economic  
development department" is created in the executive branch.  
The department shall be a cabinet department and shall consist  
of, but not be limited to, [~~seven~~] six divisions as follows:

- A. the administrative services division;
- B. the economic development division;

- 1 C. the New Mexico film division;  
2 ~~[D. the technology enterprise division;~~  
3 ~~E. the trade and Mexican affairs division;]~~  
4 D. the climate, energy and water division;  
5 ~~[F.]~~ E. the New Mexico outdoor recreation division;  
6 and  
7 ~~[G.]~~ F. the creative industries division."

8 SECTION 2. A new section of the Economic Development  
9 Department Act is enacted to read:

10 "[NEW MATERIAL] CLIMATE, ENERGY AND WATER DIVISION  
11 CREATED.--

12 A. The "climate, energy and water division" is  
13 created in the department. The division shall:

14 (1) serve as project permitting navigators for  
15 climate, energy and water projects;

16 (2) identify site-ready and brownfield  
17 locations for climate, energy and water projects;

18 (3) provide recommendations to the governor  
19 and the legislature for the streamlining of permitting for  
20 climate, energy and water projects;

21 (4) work with international, regional and  
22 national entities on climate, energy and water technology and  
23 projects;

24 (5) coordinate with industry and workforce  
25 organizations, educational and post-secondary educational

1 institutions and the workforce solutions department to ensure a  
 2 trained workforce in the state;

3 (6) engage directly with Indian nations,  
 4 tribes and pueblos on climate, energy and water partnerships,  
 5 including serving as a resource for grant opportunities,  
 6 workforce development and industry relationships;

7 (7) identify and facilitate partnerships for  
 8 entities in the state to apply for competitive federal grant  
 9 opportunities relating to climate, energy and water technology  
 10 and projects;

11 (8) establish guidelines and rules for  
 12 programs and grants for climate, energy and water technology  
 13 pilot and demonstration projects;

14 (9) develop a two-year strategic plan and  
 15 submit the plan to the department before August 1 of each year;

16 (10) gather, centralize and disseminate  
 17 information on climate, energy and water technology and  
 18 entities working in those sectors; and

19 (11) create programs to support the  
 20 decarbonization of New Mexico industry, electricity generation,  
 21 transportation, agriculture and buildings.

22 B. The division may:

23 (1) adopt rules for a decarbonization  
 24 technology program;

25 (2) make, enter into and enforce contracts,

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1 agreements and other instruments necessary, convenient or  
2 desirable in the exercise of the division's powers and  
3 functions;

4 (3) enter into agreements to share employees  
5 with the department of environment, the energy, minerals and  
6 natural resources department, the office of the state engineer  
7 and the workforce solutions department; and

8 (4) do anything necessary to carry out the  
9 division's purposes and exercise the division's powers."

10 SECTION 3. A new section of the Economic Development  
11 Department Act is enacted to read:

12 "[NEW MATERIAL] DECARBONIZATION TECHNOLOGY PROGRAM.--The  
13 climate, energy and water division of the department shall  
14 establish the "decarbonization technology program" in the  
15 department to:

16 A. recruit to the state and support  
17 decarbonization, energy efficiency, clean energy, energy  
18 storage and water efficiency and resilience technology  
19 companies;

20 B. coordinate and link pilot and demonstration  
21 projects to existing entities in the state;

22 C. promote technology transfer, commercialization  
23 and research and development of decarbonization, energy  
24 efficiency, clean energy, energy storage and water efficiency  
25 and resilience technology in the state;

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1 D. develop and implement tools and incentives to  
 2 facilitate decarbonization efforts; and

3 E. establish a carbon concierge program to connect  
 4 decarbonization technology suppliers, offtakers and carbon-  
 5 emitting sectors to new technologies that will reduce or  
 6 eliminate greenhouse gas emissions or support water  
 7 resilience."

8 SECTION 4. A new section of the Economic Development  
 9 Department Act is enacted to read:

10 "[NEW MATERIAL] CLIMATE, ENERGY AND WATER PROJECT FUND--  
 11 CREATED.--

12 A. The "climate, energy and water project fund" is  
 13 created as a nonreverting fund in the state treasury. The fund  
 14 consists of appropriations, gifts, grants, fees, distributions,  
 15 donations and income from investment of the fund. Money in the  
 16 fund shall be expended upon warrant of the secretary of finance  
 17 and administration pursuant to vouchers signed by the secretary  
 18 of economic development or the secretary's authorized  
 19 representative. Money in the climate, energy and water project  
 20 fund is appropriated to the department for administration by  
 21 the climate, energy and water division to make grants for:

22 (1) state matching funds for federal grants  
 23 for climate, water and energy technology projects;

24 (2) pilot and demonstration projects for  
 25 decarbonization, energy efficiency, clean energy, energy

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1 storage and water efficiency and resilience technologies; and

2 (3) studies and research concerning the  
3 development of decarbonization, energy efficiency, clean  
4 energy, energy storage and water efficiency and resilience  
5 technologies.

6 B. The climate, energy and water division shall  
7 develop an application grant process that:

8 (1) protects intellectual property; and

9 (2) ensures transparency.

10 C. The climate, energy and water division shall  
11 develop grant criteria that may include:

12 (1) the viability of the technology;

13 (2) whether the technology was developed in  
14 the state;

15 (3) whether the technology can be deployed in  
16 the state;

17 (4) whether the project demonstrates a long-  
18 term connection to the state;

19 (5) whether the project will benefit the  
20 state's environment, public health, economy and workers; and

21 (6) whether the project or technology has  
22 received funding from other sources."

23 SECTION 5. APPROPRIATIONS.--

24 A. Ten million dollars (\$10,000,000) is  
25 appropriated from the general fund to the climate, energy and

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1 water project fund for expenditure in fiscal year 2025 and  
2 subsequent fiscal years for the purposes of the fund. Any  
3 unexpended or unencumbered balance remaining at the end of a  
4 fiscal year shall not revert to the general fund.

5 B. Five million dollars (\$5,000,000) is  
6 appropriated from the general fund to the climate, energy and  
7 water division of the economic development department for  
8 expenditure in fiscal year 2025 to carry out the purposes of  
9 the division. Any unexpended or unencumbered balance remaining  
10 at the end of fiscal year 2025 shall revert to the general  
11 fund.

12 SECTION 6. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2024.

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