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HOUSE BILL 108

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

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE LOCAL SOLAR ACCESS
FUND IN THE NEW MEXICO FINANCE AUTHORITY; PROVIDING GRANTS FOR
SOLAR ENERGY SYSTEMS; REQUIRING THE NEW MEXICO FINANCE
AUTHORITY TO ESTABLISH RULES; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the New Mexico Finance
Authority Act is enacted to read:

"[NEW MATERIAL] LOCAL SOLAR ACCESS FUND--CREATED--
APPLICATIONS AND GRANTS.--

A. As used in this section:

(1) "eligible entity" means a county,
municipality, school district or an Indian nation, tribe or
pueblo located wholly or partially in New Mexico; and

(2) "solar energy system" means the equipment

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1 used to generate, convert, store, manage and monitor solar
2 energy for use as thermal energy or electricity, and may
3 include:

4 (a) energy storage systems, including
5 batteries, that are capable of retaining, storing and
6 delivering electrical energy by chemical, thermal, mechanical
7 or other means; and

8 (b) interconnection equipment required
9 to safely interconnect the system with the electrical grid.

10 B. The "local solar access fund" is created in the
11 authority. The fund consists of appropriations, distributions,
12 transfers, income from investment of the fund, bequests, gifts,
13 grants, donations and any other money distributed or otherwise
14 allocated to the fund. Balances in the fund at the end of a
15 fiscal year shall not revert to the general fund. The fund
16 shall be administered by the authority as a separate account
17 and may consist of subaccounts as the authority deems necessary
18 to carry out the purposes of the fund.

19 C. Money in the fund shall be used to implement the
20 provisions of this section, including to:

21 (1) provide grants to eligible entities to
22 plan, design, construct, purchase, install and equip solar
23 energy systems used to power buildings and infrastructure
24 located within New Mexico that are owned and operated by an
25 eligible entity;

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1 (2) provide grants for technical assistance to
2 apply for federal or other funding to plan, design, construct,
3 purchase, install and equip solar energy systems; and

4 (3) pay the administrative costs incurred by
5 the authority in carrying out the provisions of this section.

6 D. Money in the fund that is not needed for
7 immediate disbursement may be deposited or invested in the same
8 manner as other funds administered by the authority.

9 E. By December 31, 2024, the authority shall
10 establish rules to carry out the provisions of this section,
11 including:

12 (1) criteria for evaluating proposed solar
13 energy systems; and

14 (2) metrics to be used by the authority to
15 prioritize solar energy systems that shall include:

16 (a) an eligible entity's need for
17 authority funding to plan or complete a solar energy system;

18 (b) the percentage of low-income
19 households in the community served by that solar energy system;

20 (c) buildings and infrastructure that
21 are used to provide community services or emergency shelter;

22 (d) the requirement that the majority of
23 the funding shall be allocated to rural eligible entities as
24 determined by the authority;

25 (e) the projected long-term operating

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1 cost reductions of the solar energy system;

2 (f) procedures to ensure maximum
3 geographic disbursement and diversity;

4 (g) appropriate caps on different types
5 of grants to ensure the fund's sustainability;

6 (h) pricing consistent with statewide
7 price agreements; and

8 (i) solar energy systems that support
9 workforce development, including by hiring local workers,
10 paying the prevailing wage or hiring workers participating in
11 apprenticeship programs that are registered pursuant to the
12 Apprenticeship Assistance Act.

13 F. Applications for grants shall be in a form
14 specified by the authority and shall include such information
15 as required by the authority, including:

16 (1) an estimate of the cost of the solar
17 energy system for which a grant is being sought;

18 (2) an estimate of the operating cost savings
19 expected to be achieved by the solar energy system; and

20 (3) a description of the benefits of the solar
21 energy system."

22 SECTION 2. APPROPRIATION.--One hundred ten million
23 dollars (\$110,000,000) is appropriated from the general fund to
24 the energy, minerals and natural resources department for
25 expenditure in fiscal year 2025 and subsequent fiscal years for
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1 the New Mexico finance authority to carry out the purposes of
2 the local solar access fund. Any unexpended or unencumbered
3 balance remaining at the end of a fiscal year shall not revert
4 to the general fund.

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