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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:

"LOCAL SOLAR ACCESS FUND--CREATED--APPLICATIONS AND
GRANTS--CONTRACT PERFORMANCE AND PAYMENT BONDS.--

A. As used in this section:

(1) "eligible entity" means a county, a
municipality, a school district, a land grant-merced
controlled and governed pursuant to Chapter 49, Article 1
NMSA 1978 or an Indian nation, tribe or pueblo located wholly
or partially in New Mexico; and

(2) "solar energy system" means the
equipment used to generate, convert, store, manage and
monitor solar energy for use as thermal energy or electricity
and may include:

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

1 (b) interconnection equipment required
2 to safely interconnect the system with the electrical grid.

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

13 C. Money in the fund is appropriated to the
14 authority to implement the provisions of this section,
15 including to:

16 (1) provide grants to eligible entities to
17 plan, design, construct, purchase, install and equip solar
18 energy systems used to power buildings and infrastructure
19 located within New Mexico that are owned and operated by an
20 eligible entity, including necessary upgrades or repairs
21 required to install or connect solar energy systems;

22 (2) provide grants to eligible entities or
23 New Mexico councils of governments for technical assistance
24 to apply for federal or other funding to plan, design,
25 construct, purchase, install and equip solar energy systems;

1 and

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

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

7 E. By December 31, 2025, the authority shall
8 establish rules in consultation with the energy, minerals and
9 natural resources department to carry out the provisions of
10 this section, including:

11 (1) criteria for evaluating proposed solar
12 energy systems, including minimum eligibility requirements;
13 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
20 system;

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

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

1 (e) the projected long-term operating
2 cost reductions of the solar energy system;

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

5 (g) appropriate caps on different types
6 of grants to ensure the fund's sustainability and selection
7 of the most qualified projects;

8 (h) solar energy systems that include
9 an energy storage system;

10 (i) pricing consistent with statewide
11 price agreements; and

12 (j) solar energy systems that support
13 workforce development, including by hiring local New Mexico
14 workers, paying the prevailing wage or hiring workers
15 participating in apprenticeship programs that are registered
16 pursuant to the Apprenticeship Assistance Act.

17 F. Applications for grants shall be in a form
18 specified by the authority and shall include such information
19 as required by the authority, including:

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

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

25 (3) a description of the benefits of the

1 solar energy system.

2 G. An eligible entity, except for an Indian
3 nation, tribe or pueblo, that is made a grant pursuant to this
4 section shall require a contractor of a project funded by the
5 local solar access fund to post a performance and payment bond
6 as described in Section 13-4-18 NMSA 1978." _____

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