

LFC Requester:	
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AGENCY BILL ANALYSIS

**SECTION I: GENERAL INFORMATION**

Check all that apply:  
**Original**      X      **Amendment**            
**Correction**              **Substitute**          

**Date**   2/4/2026    
**Bill No:**   HM 37  

**Sponsor:**    Rep. Terrazas, Ramos, Murphy,  
                   Dow, Armstrong  
**Short**        Renewable Energy  
                   Decommission Cost

**Agency Name and Code**        EMNRD 521  
**Number:** \_\_\_\_\_  
**Person Writing**                Ben Bajema  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

**Synopsis:** HM37 claims that the state is ill-equipped to meet future decommissioning obligations related to solar and wind energy generation facilities. The memorial directs the Energy, Minerals, and Natural Resources Department (EMNRD) to consult with the Renewable Energy Transmission Authority (RETA) and the Public Regulation Commission (PRC) to study the potential costs of decommissioning current and future solar and wind energy generation facilities operating in New Mexico and provide recommendations on possible financial assurance requirements for those facilities. HM37 lays out several goals for the study:

1. Evaluate the scale and timing of actual end-of-life solar and wind energy generation facility retirement;
2. Estimate the likely costs of equipment removal and site restoration on land used for such facilities;
3. Assess the adequacy of existing financial assurance option to hold owners and operators of solar and wind facilities accountable for decommissioning costs;
4. Consider financial assurance requirements for solar and wind facilities from other states;
5. Propose recommendations for policies or legislation that would minimize the risks of environmental harm and financial exposure related to decommissioning solar and wind generation facilities.

The study's report is due to appropriate interim legislative committees by November 1, 2026.

### **FISCAL IMPLICATIONS**

None for EMNRD.

### **SIGNIFICANT ISSUES**

HM37 calls attention to the growing importance of renewable energy in New Mexico's energy mix and the issue of decommissioning costs for wind and solar. The memorial cites a report from the National Center for Energy Analytics that gives New Mexico a failing grade for solar and wind decommissioning preparedness, suggesting that the state lacks regulations for solar and wind. Yet, this claim appears to disregard existing county-level ordinances, existing decommissioning requirements for projects utilizing State Trust land leases or federal land leases, and existing PRC oversight regarding utility projects. The report cited also fails to acknowledge that contractual obligations (such as PPAs) almost always include decommissioning clauses.

Existing leases for renewable energy facilities on state trust land are an excellent template showcasing adequate requirements for renewable energy decommissioning bonds/surety, defining a decommissioning phase, and requiring a comprehensive decommissioning plan for equipment removal and land restoration.

**PERFORMANCE IMPLICATIONS**

None for EMNRD.

**ADMINISTRATIVE IMPLICATIONS**

None for EMNRD.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

EMNRD will not provide a report to interim legislative committees on solar and wind decommissioning and financial assurance by November 2026.

**AMENDMENTS**