

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

Original **Amendment** _____
Correction _____ **Substitute** _____

Date _____
Bill No: SB 78

Sponsor: Thronton/Dixon/Brown/
Tobiassen
Short Nuclear Energy as Renewable
Energy

**Agency Name
and Code** EMNRD 521
Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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: SB 78 amends the Rural Electric Cooperative Act and the Renewable Energy Act to include energy produced from nuclear fusion and nuclear fission as “renewable” for the purposes of New Mexico’s renewable portfolio standard (RPS) compliance.

FISCAL IMPLICATIONS

None for EMNRD

SIGNIFICANT ISSUES

Although New Mexico does not currently generate nuclear energy within its borders, electricity generated from fission at the Palo Verde Nuclear Generating Station in Arizona meets a significant portion of New Mexico’s baseload demand. Nuclear accounts for roughly 20%¹ of the PNM’s energy mix and roughly 40%² of El Paso Electric’s energy mix.

Compliance with New Mexico’s RPS is certified through the acquisition and retirement of renewable energy certificates (RECs) registered and tracked via WREGIS³ (or another RECs tracking system if WREGIS is unable to import certificates). WREGIS currently does not issue RECs for nuclear energy generation and other registries issue only “zero-emission certificates” for nuclear energy. This bill would therefore require the PRC and utilities to create a certification system for the nuclear electricity used in the state.

The federal government does not classify nuclear (fission) energy as “renewable” because of its reliance on finite uranium; however, several states, such as Colorado, Connecticut and Utah, include nuclear on a list of “clean” or “zero-carbon” energy resources. Nuclear (fission) energy would be more appropriately classified as a “zero-carbon” rather than “renewable” resource in this bill—and it in fact already qualifies as “zero-carbon” under New Mexico’s statutes as they exist now.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

¹ [PNM 2023 IRP](#)

² [EPE 2025 IRP](#)

³ Western Renewable Energy Generation Information System, a tracking system for RECs in the west.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The emergence of nuclear fusion technology in New Mexico has the potential to change the clean energy generation landscape in the state over the next 20 years. As that tech gets closer to market, amendments to the Renewable Energy Act may need to be made to incorporate it.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The definition of renewable energy for purposes of the Renewable Energy Act will remain the same. Nuclear energy will continue to qualify as a “zero-carbon” resource under current statutory definitions.

AMENDMENTS