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FISCAL IMPACT REPORT

BILL NUMBER: House Memorial 37

SHORT TITLE: Renewable Energy Facilities Decommission Cost

SPONSOR: Reps. Terrazas, Murphy, Dow, and Armstrong/Sen. Ramos

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/3/26 **ANALYST:** Davidson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
EMNRD		\$40		\$40	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Energy, Minerals, and Natural Resources Department

SUMMARY

Synopsis of House Memorial 37

House Memorial 37 directs the Energy, Minerals and Natural Resources Department (EMNRD) to consult with the Renewable Energy Transmission Authority and the Public Regulation Commission to conduct a study of the potential costs for decommissioning present and future solar and wind energy generation facilities. The memorial also asks the study to provide recommendations as to potential financial assurance requirements for solar and wind energy generation facilities.

The memorial stipulates the study should be reported to the appropriate interim legislative committee no later than November 1st, 2026.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

Memorials do not contain appropriations and are not enforceable as state law. The study requested in this memorial is within the normal operations of the agencies involved but could require additional funding to implement. LFC analysis estimates the agency could need an

additional \$40 thousand in nonrecurring funding for contracts related to the implementation of the bill.

SIGNIFICANT ISSUES

EMNRD analysis notes the report the memorial sites (from the National Center for Energy Analytics) gave New Mexico a failing grade for solar and wind decommissioning preparedness, with the report suggesting the state lacks regulations for solar and wind. ENMRD pointed to some of the existing regulations the report appeared to not consider, such as:

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.

EMNRD further noted there are the existing lease requirements for renewable energy facilities and they could be used as a template for possible renewable energy decommissioning bonds and for potential timelines on decommissioning phases and or decommissioning plan requirements.

AD/SEC/dw