



Presentation to NMFA Oversight Committee

NMFA Climate Sustainability & Natural Resource Programs

Fernando Martinez, Deputy Director

- ◆ In 2025, House Bill 128 amended the NMFA Act to create the Local Solar Access Fund. The Fund received a non-reverting appropriation of \$20 million.
- ◆ HB 128 directed NMFA to provide financial assistance in the form of grants for:
 - ❑ **Project Grant:** To plan, design, construct, purchase, install and equip solar energy systems used to power buildings and infrastructure located within New Mexico
 - ❑ **Technical Assistance Grant:** for technical assistance to apply for federal or other funding for a Local Solar Access Project; and for project development
- ◆ HB 128 authorizes NMFA to pay its administrative costs incurred in implementing the Act from the Local Solar Access Fund.
- ◆ HB 128 requires NMFA to work with EMNRD to establish the following:
 - ❑ Criteria for evaluating proposed solar energy systems, including minimum standards;
 - ❑ Metrics to prioritize solar energy systems

A **Solar Energy System** is equipment used to generate, convert, store, manage and monitor solar energy for use as thermal energy or electricity, including:

- ❑ Energy storage systems (batteries capable of retaining, storing or delivering electric energy)
- ❑ Interconnection equipment to safely interconnect the system to the electrical grid

Local Solar Access Fund Mission Objectives

- ◆ Increase deployment of solar energy systems in underserved and rural communities throughout NM
- ◆ Reduce energy burden for low-income households and community service providers
- ◆ Support local workforce development in the renewable energy sector
- ◆ Enhance community resilience through distributed solar and energy storage systems
- ◆ Leverage federal and other funding sources to maximize project impact

Local Solar Access Project Grant – Eligible Applicants

- ◆ New Mexico Counties
- ◆ New Mexico Municipalities
- ◆ New Mexico School Districts
- ◆ New Mexico Land-Grant Merceds
- ◆ Indian Nation, Tribes, or Pueblos located wholly or partially in New Mexico

Local Solar Access Technical Assistance Grant – Eligible Applicants

- ◆ Applicants meeting the definition of eligible entity, or a NM Council of Governments

Project Grant applications must describe a scope of work that includes:

- ◆ A detailed project description of the project size, location, and goal for the Local Solar Energy System project;
- ◆ Plans for achieving compliance with state and local construction and permitting requirements
- ◆ Community Impact Assessment
- ◆ Financial Analysis
- ◆ Implementation Plan
- ◆ Technical Specifications
- ◆ Organizational Documents
- ◆ Environmental Considerations

Technical Assistance Grant applications must describe a scope of work that includes:

- ◆ The goal of technical assistance (Local Solar Access Project Grant, state or federal funding application preparation; direct build); and
- ◆ The technical assistance needed or consultants to be secured (engineering, compliance, permitting).

LSA Grants will be distributed to diverse communities throughout the state, using the following geographic and project diversification limitations:

Project Grants

- ◆ Project Grant sizes will be no more than \$1 million

Technical Assistance Grants

- ◆ Technical Assistance Grant sizes will be no more than \$50,000

Geographic limitations for the fund overall

- ◆ At least 60% of the Local Solar Access Fund will be reserved for Rural Eligible Entities (serving an area with a population less than 60,000, excluding Class H counties).
- ◆ No more than 25% of the Local Solar Access Fund will go to Eligible Entities within any one County, including the County itself.

Technical Assistance Grants

- 12 Technical Assistance Grants awarded on June 25, 2026
- Each grant awarded - \$50,000 for a total of \$600,000

Application #	Entity	project type	Population	Urban/ Rural	County	Resolutio n	Articles of Incorp/ Organization	Bylaws or Operating Agreement	Financial Statements	Certifications & Agreements	Amount Requested	Services Requested
LSAF-0008	Portales Municipal School District	Technical Assistance	11,789	Rural	roosevelt	☑	☑	☑	☑	☑	50,000	Engineering Studies; Feasibility Studies; Site Assessments; Project Development
LSAF-0009	Pueblo of Santo Domingo	Technical Assistance	4,500	Rural	sandoval	☑	☑	☑	☑	☑	50,000	Grant Writing Services; Engineering Studies
LSAF-0011	City of Socorro	Technical Assistance	8,707	Rural	socorro	☑	☑	☑	☑	☑	50,000	Project Development
LSAF-0023	City of Tucumcari	Technical Assistance	5,200	Rural	quay	☑	☑	☑	☑	☑	50,000	Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Legal/Regulatory Compliance; Project Development
LSAF-0028	Village of Pecos	Technical Assistance	1,300	Rural	san miguel	☑	☑	☑	☑	☑	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development
LSAF-0039	Village of Mosquero	Technical Assistance	98	Rural	harding	☑	☑	☑	☑	☑	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development; Program Development

Local Solar Access Fund- Awarded Technical Assistance Grants

LSAF-0042	Chilili Land Grant	Technical Assistance	1,200	Rural	bernalillo	✓	✓	✓	✓	✓	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development; Program Development
LSAF-0043	White Rock Chapter	Technical Assistance	800	Rural	san juan, mckinley	✓	✓	✓	✓	✓	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development; Program Development
LSAF-0047	City of Sunland Park	Technical Assistance	16,702	Rural	dona ana	✓	✓	✓	✓	✓	50,000	Engineering Studies; Feasibility Studies; Site Assessments; Permitting Support; Project Development
LSAF-0049	Merced de Los Pueblos de Tierra Amarilla	Technical Assistance	2,000	Rural	rio arriba	✓	✓	✓	✓	✓	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development; Program Development
LSAF-0051	Town of Mesilla	Technical Assistance	900	Rural	dona ana	✓	✓	✓	✓	✓	50,000	Feasibility Studies
LSAF-0052	Merced del Pueblo de Tajique	Technical Assistance	900	Rural	torrance	✓	✓	✓	✓	✓	50,000	Grant Writing Services; Engineering Studies; Environmental Assessments; Feasibility Studies; Site Assessments; Permitting Support; Legal/Regulatory Compliance; Project Development; Program Development
											600,000	

Project Grant applications will be prioritized by EMNRD and NMFA according to the following metrics:

- ◆ Capability of completing the scope of work described in the time allocated;
- ◆ Extent to which project will lead to community resilience;
- ◆ Geographic location (rural/non-rural); and
- ◆ Community Benefits:
 - ❑ impact on household energy burden (cost savings);
 - ❑ number of low-income households served by the project;
 - ❑ long-term energy cost reductions;
 - ❑ impact on local community service or emergency shelter providers;
 - ❑ energy storage integration; and
 - ❑ impact on local workforce

Project Grants

- 23 Project Grants currently being reviewed
- Total Project Grant requests - \$21,149,645.03
- Applications received from Counties, Municipalities, School Districts, Tribes
- Total Local Solar Access Fund available funds- \$19,400,000
- Funding of balance of Local Solar Access Fund - August

Energy Efficiency Revolving Loan Fund:

Eligibility

- Eligible entities include private nonprofit and for-profit New Mexico businesses with buildings that are used for a public or community benefit, for example health care, education, recreation, cultural, or other benefits to the local community. For more information on eligibility, visit the [Energy Efficiency Revolving Loan Fund at the NM EMNRD website](#). For answers to specific questions related to the loan terms or underwriting, please contact NMFA at business@nmfa.net.
- The purposes are to reduce utility bills/expenses for buildings that are owned or operated by eligible entities. Improve building performance. Reduce building emissions and operating expenses. And help NM communities become more resilient.
- The New Mexico Energy Minerals and Natural Resources Division (EMNRD) has received over \$5 million in funding from the U.S. Department of Energy to create a loan program, to offer low-cost loans to eligible commercial entities for energy efficiency upgrades. NMFA is partnering with EMNRD on the administration of the program.

Energy Efficiency Revolving Loan Fund

How can loan funds be used?

- Loan funds may be used for energy efficiency audits, upgrades, and retrofits that improve overall energy consumption. For example, smart thermostats, heating, ventilation and air conditioning (HVAC), windows and doors, insulation, heating systems, air sealing, lighting and building envelope upgrades, and relevant, targeted roof repairs are all eligible uses. Solar and electric panels are not eligible uses on a standalone basis but are eligible as part of a comprehensive energy efficiency upgrade. For more information on the use of loan funds, visit the Energy Efficiency Revolving Loan Fund at the NM EMNRD website

What are the loan amount, interest rate, and loan term?

- General loan information:
 - Loans may be for amounts up to \$1,000,000.
 - Loan terms cannot exceed the useful life of the project or 15 years.
 - Loans are offered at a fixed interest rate of 2%

Energy Efficiency and Renewable Energy Bonding Act

Energy Efficiency Bonds

- NMFA is authorized to issue and sell from time-to-time revenue bonds, known as "energy efficiency bonds", in an amount outstanding at any one time not to exceed twenty million dollars (\$20,000,000). Currently, \$3,500,000 is available for borrowers for the purpose of installing energy efficiency measures.
- The net proceeds from the bonds are appropriated to NMFA for the purpose of making distributions to one or more state agencies or school districts that, pursuant to an energy efficiency assessment by EMNRD, have committed to install energy efficiency measures or entered into contracts for the installation of the measures. EMNRD must certify that the resulting energy cost savings will be realized within a reasonable time.
- Considering the timeliness and amount of energy cost savings estimated to be realized from the energy efficiency measures, EMNRD must also certify the approximate date when the energy cost savings are most likely to equal or exceed the debt service due on the bonds to be issued to fund the energy efficiency measures.

Energy Efficiency and Renewable Energy Bonding Act

Energy Efficiency Bond Requirements Continued. . .

- The life of energy efficiency measures must meet or exceeds the life of the bonds allocable to those energy efficiency measures as determined by EMNRD and NMFA.
- Based on EMNRD's certification, the debt service on the bonds has been structured by NMFA to preclude the annual debt service payments due until the date that the cost savings equal or exceed the debt service.
- Upon receipt of a distribution, the state agency or school district shall deposit into the energy efficiency assessment revolving fund the cost incurred by the department to make the energy efficiency assessment on the building and shall use the remainder for the installation of energy efficiency measures.

Drinking Water State Revolving Loan Fund

Eligibility

- **Applicants:** Municipal and community water systems
- **Projects:** Water infrastructure and equipment

Terms: Loans of up to 30 years at fixed, below-market interest rates

- Disadvantaged public entities: 0%
- Community water systems: .01%
- Non-profit water systems: 3%

Other: Water systems operated by public entities may be eligible to receive additional subsidies such as principal forgiveness, subject to funding availability.

The New Mexico Environment Department (NMED) Drinking Water Bureau (DWB) and NMFA produce an annual Drinking Water State Revolving Loan Fund (DWSRLF) Project Priority List (PPL) and Intended Use Plan (IUP). The IUP identifies the proposed intended uses of the funding amounts available to the DWSRF Program including from the Bipartisan Infrastructure Law.

DWSRLF Program Priorities:

- **protection of public health;**
- **compliance with drinking water standards; and**
- **affordable access to drinking water.**
- **To ensure the success of the program, NMFA and NMED partner to provide technical, managerial and financial assistance to water systems as well as low-cost loans.**

This federally funded program, managed by the NMFA on behalf of the State of New Mexico, is funded through a federal capitalization grant of approximately \$8 million annually. The State is required to match the federal grant by 20 percent. The primary use of the funding is for 0% or .01% loans to drinking water systems to fund vital water quality projects.

Projects that protect drinking water quality and public health are eligible for the DWSRLF, including new and replacement water sources, treatment, transmission and distribution lines, storage, supervisory control and data acquisition (SCADA) systems, and infrastructure to interconnect or regionalize water systems. In addition to funding costs needed for project construction, the DWSRLF can also finance planning, design and associated pre-project costs, and land acquisition needed for locating project components.

DWSRLF Continued . . .

- The DWSRF allows for subsidy for regionalization projects (up to 90%) and the Green Project Reserve allows for up to 25% as subsidy.
- EPA lists Consolidation/Regionalization as an eligible project: **Consolidation/Regionalization**
Interconnecting two or more water systems , water system partnerships including emergency interconnections or sharing operators, equipment, and managerial consolidation.
- Sustainable Projects and activities is a separate category under the priority rank system for projects to be included on the fundable priority list.
- Eligible projects under that Sustainable Projects and Activities section include the following: Asset Management Plan, Asset Management Plan Project, Energy Efficiency, Environmentally Innovative Projects, Resiliency, Water Reuse Project, Education, Declared Emergency, and Rate Study.
- Through the Local Assistance State Programs set aside, communities can receive regional planning & sustainability (regionalization & collaboration projects, climate resilience from Drinking Water Staff or their contractors.
- Drinking Water Lead Service Line Remediation Program-allows for studies to determine if lead exists in existing water systems and the goal of the program is to increase the reliability of the water system to continue to provide safe drinking water to the system's current and future users.

DWSRLF Continued . . .

- Green Projects Reserve (GRP) include green infrastructure, water conservation, energy efficiency improvements, or other environmentally innovative activities.
- Green projects that are 100% green will be provided with an additional 25% principal forgiveness.
- Projects not considered “categorically green” (projects that clearly support the intent of the GPR), such as water meters, rain gardens, green roofs, and alternative energies such as solar panels and other water and energy efficiency infrastructure for new facilities) will require a Business Case Explanation to support the need for the project and to describe how it meets the GPR requirement for water and/or energy efficiency. GPR projects and their Business Cases, where required, are submitted to the NMED and posted on the DWB’s and NMFA’s websites at: https://www.env.nm.gov/drinking_water/funding/ and <http://www.nmfa.net>, respectively.

GPR Eligibility Categories

EPA's GPR guidance defines eligible projects in four main categories **Green Infrastructure** – e.g., pervious pavement, bioswales, green roofs, rainwater harvesting, xeriscaping, stormwater controls with vegetation, landscape conversion, moisture/rain sensing irrigation.

- 1. Water Efficiency** – e.g., installing or retrofitting water-efficient fixtures/appliances, water meter installation/replacement, leak detection systems.
- 2. Energy Efficiency** – e.g., upgrading pumps, motors, lighting, HVAC systems; solar installations at utility facilities.
- 3. Environmentally Innovative Activities** – projects with unique environmental benefits not covered in the above categories.

Example Projects

- City of Santa Fe Buckman Solar Project DW-2696 \$5M



City of Santa Fe Buckman Solar Project DW-2696 \$5M



Water Trust Board

The program allows for five project types eligible for consideration of financial assistance that include:

- Water conservation or recycling, treatment or water reuse projects;
- Wastewater collection, conveyance and treatment;
- Flood prevention projects;
- Endangered Species Act (ESA) collaborative projects;
- Water storage, conveyance or delivery projects;
- Watershed restoration and management projects.

Eligible projects include- Planning, Design, or Construction of water utilization projects to meet water supply demands and provide a public benefit, including:

- Conservation and efficient use of water;
- Construction, repair, or protection of water infrastructure;
- Watershed health such as the restoration of riparian ecosystems, water quality improvement, or mitigation of damage to water resources from wildfire.



Thank You!

For questions, please contact:

Fernando Martinez, Deputy Director

fmartinez@nmfa.net

505-629-8382