

Update on the Local Solar Access Fund

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Purpose and Statutory Authority

- ◆ 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 authorizing to provide grants for solar energy systems in New Mexico.

Objectives

- ◆ Increase deployment of solar energy systems in underserved and rural communities.
- ◆ 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.

Grant Types

- ◆ **Project Grants:** Planning, designing, constructing, purchasing, installing, and equipping solar energy systems for buildings and infrastructure in New Mexico (**up to \$1,000,000**).
- ◆ **Technical Assistance Grants:** professional services to support the application for federal or other funding to plan, design, construct, purchase install or equip Solar Energy System Projects (**up to \$50,000**).

Eligible Solar Systems

- ◆ Equipment that generates, converts, stores, manages, and monitors solar energy for thermal or electrical use. ***The equipment must be used to power buildings and infrastructure in New Mexico owned and operated by an Eligible Entity.***
 - ◆ Examples:
 - ◆ **Energy storage systems**, such as batteries that retain, store, and deliver electrical energy through chemical, thermal, mechanical, or other methods.
 - ◆ **Interconnection equipment** required to safely connect the system to the electrical grid.

Eligible Applicant/Entity

- ◆ New Mexico County, municipality, school district, land grant-merced.
- ◆ Indian nation, tribe, or pueblo located wholly or partially in New Mexico.

Geographic Distribution

- ◆ At least sixty percent (60%) of the total funding available shall be awarded to Rural Eligible Entities.
- ◆ No more than twenty-five (25%) of the Fund shall be awarded to Eligible Entities within any one county.

Reporting and Compliance

- ◆ Recipients must submit quarterly progress reports and a final report upon project completion.
- ◆ Contractors (except for Indian nations, tribes, or pueblos) must post performance and payment bonds.

Application and Review Process

- ◆ NMFA partnered with the New Mexico Energy, Minerals and Natural Resources Department and developed an online application which opened in mid-January and closed on March 6, 2026.
- ◆ 42 applications were received (totaling ~\$25M). After eligibility review, 37 remained:
 - ◆ 14 for technical assistance
 - ◆ 23 for project grants

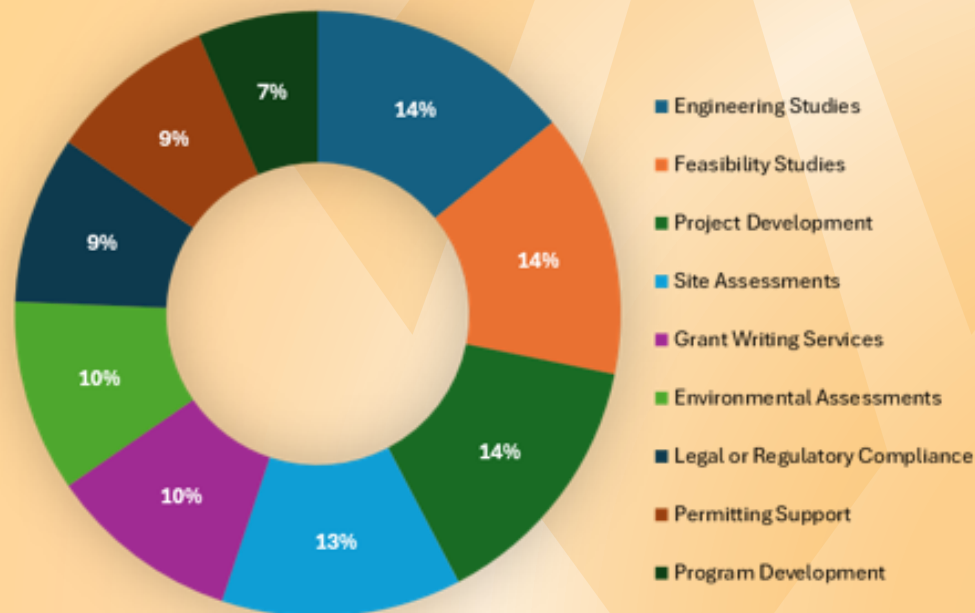
Application Evaluation and Prioritization

- ◆ NMFA may involve third parties for technical review.
- ◆ Applications are prioritized based on:
 - ◆ Local community impact.
 - ◆ Financial need.
 - ◆ Project location and concentration.
 - ◆ Long-term operating cost reductions.
 - ◆ Community resilience and benefits (including energy storage, pricing, workforce development).

Technical Assistance Grants

- ◆ In June 2026, **13 technical assistance grants totaling \$650,000** were awarded after meeting all eligibility criteria and undergoing staff review.
- ◆ Rural applicants received **92%** (\$600,000) of the allocated funds for technical assistance, exceeding the 60% minimum threshold established in the rules.

Supported Services

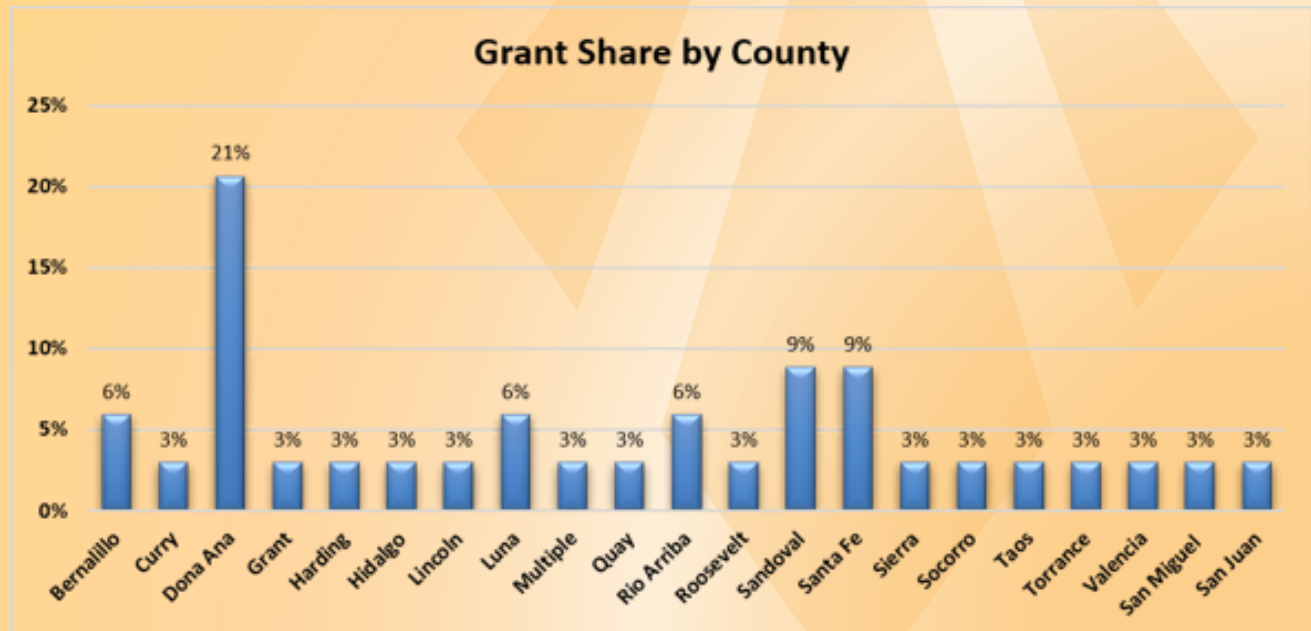


Project Grants

- ◆ In September 2026, **21 project grants totaling \$18,698,150** were awarded after meeting all eligibility criteria and undergoing staff review.
- ◆ With assistance from the New Mexico Energy, Minerals and Natural Resources Department, NMFA staff reviewed and prioritized the projects using the following criteria:
 - ◆ Community financial need: 25% of the total score.
 - ◆ Impact on Low-Income Households: 30%.
 - ◆ Address of Critical Infrastructure: 20%.
 - ◆ Long-term Operating Cost Savings: 10% .
 - ◆ Energy Storage Integration: 10% .
 - ◆ Workforce Development: 5%.
- ◆ Rural applicants received **~91% (\$16,993,216)** of the allocated funds, exceeding the 60% minimum threshold established in the rules.
- ◆ Applications from Doña Ana County **exceeded the 25% cap** on available funds. To comply with this requirement, the two lowest-scoring applications for projects located in Doña Ana County were removed, and one award was reduced.
- ◆ All approved projects generate utility savings, **averaging 53% reduction in energy costs.**

- ◆ The Local Solar Access Fund has expanded access to solar projects in rural and low-income communities while supporting critical infrastructure.
- ◆ The fund also provides an opportunity for low-income communities to leverage other funding sources and gain access to tax incentives. Most approved projects do not account for potential federal clean energy tax credits, including the Investment Tax Credit (ITC) and Production Tax Credit (PTC) **which could improve project finances and generate additional resources to address other community needs.**

- ◆ Of the 34 approved grants, 31 are serving rural areas across New Mexico.



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