

HOUSE ENERGY AND NATURAL RESOURCES
COMMITTEE SUBSTITUTE FOR HOUSE BILL 1025

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
PROVIDING FOR ENERGY CONSERVATION; ENACTING THE CLEAN ENERGY
ACT; CREATING A FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE. -- This act may be cited as the
"Clean Energy Act".

Section 2. FINDINGS. -- The legislature finds that
protection of the state's environment and the promotion of
renewable energy and energy efficiency technologies is
important for the state's future. The legislature further
finds that as technologies evolve and conditions change,
policymakers should make regular reassessments of state
policies to determine the usefulness, acceptability, benefits
and the appropriateness of continuing financial incentives for
renewable energy and energy efficiency.

1 Section 3. DEFINITIONS. -- As used in the Clean Energy Act:

2 A. "department" means the energy, minerals and
3 natural resources department;

4 B. "energy efficiency" means the application of
5 technology resulting in the reduced or improved use of energy;

6 C. "renewable energy" means thermal or electrical
7 energy generated by means of a low- or zero-emissions
8 generation technology that has substantial long-term production
9 potential, including solar, wind, hydrogen, geothermal,
10 landfill gas, biomass or fuel cells that are not fossil fueled
11 but does not include fossil fuel or nuclear power; and

12 D. "secretary" means the secretary of energy,
13 minerals and natural resources.

14 Section 4. CLEAN ENERGY CHARGE. -- Effective January 1,
15 2004, a clean energy charge of three-hundredths of one cent
16 (\$.0003) per kilowatt-hour is imposed on all retail kilowatt-
17 hour sales in the state billed by public utilities, municipal
18 utilities and distribution cooperative utilities. Effective
19 January 1, 2007, the clean energy charge shall increase to six-
20 hundredths of one cent (\$.0006) per kilowatt-hour. The clean
21 energy charge shall be separately identified on customer bills.

22 Section 5. CLEAN ENERGY FUND. --

23 A. The "clean energy fund" is created in the state
24 treasury. All clean energy surcharges collected pursuant to
25 the Clean Energy Act shall be deposited in the fund. Earnings

1 from investment of the fund shall be credited to the fund.
2 Money in the fund is appropriated to the department for the
3 purpose of administering the Clean Energy Act. Money in the
4 fund shall not revert at the end of any fiscal year.

5 Disbursements from the fund shall be made upon warrants drawn
6 by the secretary of finance and administration pursuant to
7 vouchers signed by the secretary of energy, minerals and
8 natural resources.

9 B. The department shall adopt rules establishing
10 the application procedure and required qualifications of
11 projects, including qualifications of a person that may
12 participate in applying for a disbursement from the fund for
13 projects to research, develop or apply the use of energy-
14 efficient and renewable energy technologies. Factors that may
15 be considered in approving or denying disbursements from the
16 fund are:

17 (1) the geographic area of the state in which
18 the project is to be conducted in relation to other projects;

19 (2) the cost of the project and the relative
20 contribution of the disbursement sought from the fund to the
21 total cost of the project; and

22 (3) in the case of a project of a school
23 district or a public post-secondary educational institution,
24 the number and involvement of students in the project.

25 C. The department shall annually disburse:

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1 (1) no more than five percent of the total
2 amount of money available from the fund to the department for
3 administration of the Clean Energy Act;

4 (2) no less than five hundred thousand dollars
5 (\$500,000) for low-income energy assistance to match federal
6 low-income housing energy assistance for the weatherization
7 program administered by the New Mexico mortgage finance
8 authority or for other low-income energy assistance authorized
9 and administered by the state;

10 (3) no more than one million dollars
11 (\$1,000,000) to encourage the use of energy efficiency and
12 renewable energy through the initiation, development and
13 evaluation of energy efficiency and renewable energy projects
14 at state-owned facilities;

15 (4) no more than four million dollars
16 (\$4,000,000) to encourage the use of energy efficiency and
17 renewable energy through the initiation, development and
18 evaluation of energy efficiency and renewable energy projects
19 authorized and directed by a public post-secondary educational
20 institution, a school district or by a municipality or county;
21 and

22 (5) no more than four million dollars
23 (\$4,000,000) to projects sponsored by the governing body of an
24 Indian nation, tribe or pueblo to develop electric service or
25 increase energy efficiency and conservation through the

1 initiation and implementation of new renewable energy projects
2 in low-income communities.

3 D. The department shall report on disbursements
4 made from the fund to the legislative finance committee prior
5 to each regular legislative session. The report shall include:

- 6 (1) a list of recipients receiving
7 disbursements;
- 8 (2) the amount of each disbursement;
- 9 (3) the date of each disbursement;
- 10 (4) a description of each project or expansion
11 funded with a disbursement;
- 12 (5) a description of each project's
13 contribution to the state's knowledge and use of energy
14 efficiency and renewable energy technologies; and
- 15 (6) a description of the expansion and
16 enhancement of electric service in the state.

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