

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 748

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO ELECTRIC POWER; ENACTING THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AND STORAGE AUTHORITY ACT; CREATING THE NEW MEXICO RENEWABLE ENERGY TRANSMISSION AND STORAGE AUTHORITY; PROVIDING, UNDER CERTAIN CIRCUMSTANCES, FOR THE FINANCING OR THE PLANNING, ACQUISITION, MAINTENANCE AND OPERATION OF CERTAIN ELECTRIC TRANSMISSION FACILITIES BY THE AUTHORITY; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR CERTAIN RECEIPTS RELATING TO ELECTRIC TRANSMISSION PROJECTS; PROVIDING FOR THE ISSUANCE OF RENEWABLE ENERGY TRANSMISSION BONDS; MAKING AN APPROPRIATION.

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

Section 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 16 of this act may be cited as the "New Mexico Renewable Energy Transmission and Storage Authority Act".

Section 2. [NEW MATERIAL] LEGISLATIVE FINDINGS AND

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1 PURPOSES.--

2 A. The legislature finds that:

3 (1) there are extensive reserves of renewable
4 energy in New Mexico and additional facilities are needed to
5 develop and market the reserves;

6 (2) timely development of New Mexico renewable
7 energy sources will stabilize and increase revenue to the
8 state;

9 (3) new electric transmission infrastructure
10 and storage will increase development of New Mexico renewable
11 energy sources and improve the reliability of the transmission
12 grid;

13 (4) it is in the public interest to promote
14 the economic welfare of the state and its residents by
15 increasing employment, stimulating economic activity,
16 augmenting sources of tax revenue, fostering economic stability
17 and improving the balance of the state's economy; and

18 (5) it is in the public interest to develop
19 New Mexico's vast sources of clean, renewable energy for in-
20 state consumption and for exportation to other markets desirous
21 of clean renewable energy.

22 B. The purposes of the New Mexico Renewable Energy
23 Transmission and Storage Authority Act are to:

24 (1) diversify and expand the New Mexico
25 economy through improvements in the electric transmission

1 infrastructure and the development of storage technologies;

2 (2) facilitate the transmission and use of New
3 Mexico renewable energy by financing or planning, acquiring,
4 maintaining and operating electric transmission facilities,
5 storage and related supporting infrastructure and interests
6 therein; and

7 (3) provide for the creation of the New Mexico
8 renewable energy transmission and storage authority to
9 facilitate the acquisition of existing and new electric
10 transmission and storage facilities.

11 Section 3. [NEW MATERIAL] DEFINITIONS.--As used in the
12 New Mexico Renewable Energy Transmission and Storage Authority
13 Act:

14 A. "acquire" means to obtain eligible facilities by
15 lease, construction, reconstruction or purchase;

16 B. "authority" means the New Mexico renewable
17 energy transmission and storage authority;

18 C. "bonds" means renewable energy transmission
19 bonds and includes notes, warrants, bonds, temporary bonds and
20 anticipation notes issued by the authority;

21 D. "eligible facilities" means facilities to be
22 financed or acquired by the authority, in which, within one
23 year after beginning operation, at least thirty percent of the
24 electric energy transmitted and stored will, as estimated by
25 the authority, originate from renewable energy sources;

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1 E. "facilities" means electric transmission and
2 interconnected electricity storage facilities and all related
3 structures, properties and supporting infrastructure, including
4 any interests therein;

5 F. "finance" or "financing" means the lending of
6 bond proceeds by the authority to a public utility or other
7 private person for the purpose of planning, acquiring,
8 operating and maintaining eligible facilities in whole or in
9 part by that public utility or other private person;

10 G. "project" means an undertaking by the authority
11 to finance or plan, acquire, maintain and operate eligible
12 facilities located in part or in whole within the state of New
13 Mexico;

14 H. "public utility" means a public electric utility
15 regulated by the public regulation commission pursuant to the
16 Public Utility Act and municipal utilities exempt from public
17 regulation commission regulation pursuant to Section 62-6-4
18 NMSA 1978 that own or operate facilities;

19 I. "renewable energy" means electric energy:

20 (1) generated by use of low- or
21 zero-emissions generation technology with substantial long-term
22 production potential; and

23 (2) generated by use of renewable energy
24 resources that may include:

25 (a) solar, wind, hydropower and

1 geothermal resources;

2 (b) fuel cells that are not fossil
3 fueled; and

4 (c) biomass resources, such as
5 agriculture or animal waste, small diameter timber, salt cedar
6 and other phreatophyte or woody vegetation removed from river
7 basins or watersheds in New Mexico, landfill gas and
8 anaerobically digested waste biomass; but

9 (3) does not include electric energy
10 generated by use of fossil fuel or nuclear energy; and

11 J. "storage" means energy storage technologies that
12 convert, store and return electricity to help alleviate
13 disparities between electricity supply and demand, to
14 facilitate the dispatching of electricity or to increase
15 economic return on the sale of electricity.

16 Section 4. [NEW MATERIAL] NEW MEXICO RENEWABLE ENERGY
17 TRANSMISSION AND STORAGE AUTHORITY CREATED--ORGANIZATION.--

18 A. There is created the "New Mexico renewable
19 energy transmission and storage authority", a public body
20 politic and corporate, separate and apart from the state,
21 constituting a governmental instrumentality for the performance
22 of essential public functions.

23 B. The authority shall be composed of five members
24 as follows:

25 (1) three members appointed by the governor

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1 with the advice and consent of the senate. The initial
2 appointees shall be appointed for staggered terms of one, two
3 and three years; thereafter the members shall be appointed for
4 three-year terms;

5 (2) one member appointed by the speaker of the
6 house of representatives who shall serve at the pleasure of the
7 speaker of the house; and

8 (3) one member appointed by the president pro
9 tempore of the senate who shall serve at the pleasure of the
10 president pro tempore.

11 C. One member appointed by the governor shall have
12 expertise in financial matters involving the financing of major
13 electrical transmission projects. The other four members shall
14 have:

15 (1) special knowledge of the public utility
16 industry, as evidenced by college degrees or by experience, at
17 least five years of which must be with the public utility
18 industry;

19 (2) knowledge of renewable energy development;
20 and

21 (3) a displayed ability to protect the public
22 interest.

23 D. In addition to the appointed members, the
24 secretary of energy, minerals and natural resources shall serve
25 as an ex-officio nonvoting member of the authority.

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1 E. The governor shall designate an appointed member
2 of the authority to serve as chair, and the authority may elect
3 annually such other officers as it deems necessary.

4 F. Meetings of the authority shall be held at the
5 call of the chair or whenever three members shall so request in
6 writing. A majority of members then serving constitutes a
7 quorum for the transaction of any business, but the affirmative
8 vote of at least three members shall be necessary for any
9 action to be taken by the authority.

10 G. The authority is not created or organized and
11 its operations shall not be conducted for the purpose of making
12 a profit, but it is expected to recover the costs of operating
13 the authority. No part of the revenues or assets of the
14 authority shall benefit or be distributable to its members,
15 officers or other private persons. The members of the
16 authority shall receive no compensation for their services but
17 shall be reimbursed for actual and necessary expenses at the
18 same rate and on the same basis as provided for public officers
19 in the Per Diem and Mileage Act.

20 H. The authority shall not be subject to the
21 supervision or control of any other board, bureau, department
22 or agency of the state except as specifically provided in the
23 New Mexico Renewable Energy Transmission and Storage Authority
24 Act. No use of the terms "state agency" or "instrumentality"
25 in any other law of the state shall be deemed to refer to the

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1 authority unless the authority is specifically referred to in
2 the law.

3 I. The authority is a governmental instrumentality
4 for purposes of the Tort Claims Act.

5 Section 5. [NEW MATERIAL] AUTHORITY--DUTIES AND POWERS.--

6 A. The authority shall:

7 (1) do any and all things necessary or proper
8 to accomplish the purposes of the New Mexico Renewable Energy
9 Transmission and Storage Authority Act;

10 (2) hire an executive director and such other
11 employees or other agents as it deems necessary for the
12 performance of its powers and duties, including consultants,
13 financial advisors and legal advisors, and prescribe the powers
14 and duties and fix the compensation of the employees and
15 agents. The executive director of the authority shall direct
16 the affairs and business of the authority, subject to the
17 policies, control and direction of the authority; and

18 (3) maintain such records and accounts of
19 revenues and expenditures as required by the state auditor.
20 The state auditor or the state auditor's designee shall conduct
21 an annual financial and legal compliance audit of the accounts
22 of the authority and file copies with the governor and the
23 legislature.

24 B. The authority may:

25 (1) make and execute agreements, contracts and

1 other instruments necessary or convenient in the exercise of
2 its powers and functions with any person or governmental
3 agency;

4 (2) enter into contractual agreements with
5 respect to one or more projects upon the terms and conditions
6 the authority considers advisable;

7 (3) utilize the services of executive
8 departments of the state upon mutually agreeable terms and
9 conditions;

10 (4) enter into partnerships with public or
11 private entities;

12 (5) establish corridors for the transmission
13 of electricity within the state and investigate, plan,
14 prioritize and negotiate with entities within and outside the
15 state;

16 (6) pursuant to Subsection C of this section,
17 finance or plan, acquire, maintain and operate eligible
18 facilities necessary or useful for the accomplishment of the
19 purposes of the New Mexico Renewable Energy Transmission and
20 Storage Authority Act;

21 (7) pursuant to the provisions of the Eminent
22 Domain Code, exercise the power of eminent domain for acquiring
23 property or rights of way for public use if needed for
24 projects;

25 (8) receive by gift, grant, donation or

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1 otherwise, any sum of money, aid or assistance from the United
2 States, the state of New Mexico, any other state, any political
3 subdivision or any other public or private entity;

4 (9) for any project, provide information and
5 training to employees of the project regarding any unique
6 hazards that may be posed by the project, as well as training
7 in safety work practices and emergency procedures;

8 (10) issue bonds pursuant to the New Mexico
9 Renewable Energy Transmission and Storage Authority Act as
10 necessary to undertake a project;

11 (11) enter into contracts necessary for the
12 financing, planning, acquisition, maintenance or operation of
13 eligible facilities;

14 (12) enter into contracts for the lease and
15 operation by the authority of eligible facilities owned by a
16 public utility or other private person;

17 (13) enter into contracts for leasing eligible
18 facilities owned by the authority, provided that any revenue
19 derived pursuant to the lease shall be deposited in the
20 renewable energy transmission bonding fund;

21 (14) set rates for public utilities and other
22 persons using eligible facilities owned by the authority, and
23 establish, modify and collect reasonable fees, interest or
24 other charges to finance eligible facilities and for other
25 services rendered by the authority, provided that any revenue

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1 derived from payments made to the authority shall be deposited
2 in the renewable energy transmission bonding fund;

3 (15) borrow money necessary to carry out the
4 purposes of the New Mexico Renewable Energy Transmission and
5 Storage Authority Act and mortgage and pledge any leases, loans
6 or contracts executed and delivered by the authority;

7 (16) sue and be sued; and

8 (17) adopt such reasonable administrative,
9 regulatory and procedural rules as may be necessary or
10 appropriate to carry out its powers and duties.

11 C. Except as provided in this subsection, the
12 authority shall not enter into any project if public utilities
13 or other private persons are performing the acts, are
14 constructing or have constructed the facilities, or are
15 providing the services contemplated by the authority, and are
16 willing to provide funds for and own new infrastructure to meet
17 an identified need and market. Before entering into a project,
18 the following procedures shall be implemented:

19 (1) the authority shall provide to each public
20 utility and publish one time in a newspaper of general
21 circulation in New Mexico and one time in a newspaper in the
22 area where the eligible facilities are contemplated and on a
23 publicly accessible web page maintained by the authority, an
24 initial notice describing the project that the authority is
25 contemplating, including a detailed description of the existing

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1 or anticipated renewable energy sources that justify the
2 determination by the authority that the project facilities are
3 eligible facilities. The description shall contain, at a
4 minimum, the names of all persons that already are or will
5 develop the renewable energy sources, all persons that will own
6 the renewable energy sources and the peak output capacity,
7 source type, location and anticipated connection date of the
8 renewable energy sources;

9 (2) any person with an interest that may be
10 affected by the proposed project shall have thirty days from
11 the date of the last publication of the initial notice to
12 challenge, in writing, the determination by the authority that
13 the facilities are eligible facilities. If a challenge is
14 received by the authority within the thirty days, the authority
15 shall hold a public hearing after a minimum of two weeks notice
16 in the same newspapers and web page in which the initial notice
17 was given. Following the public hearing, the authority shall
18 make a final determination of eligibility and give notice of
19 the determination pursuant to Section 39-3-1.1 NMSA 1978. Any
20 person or governmental entity participating in the hearing may
21 appeal the final determination by filing a notice of appeal
22 with the district court pursuant to Section 39-3-1.1 NMSA 1978;

23 (3) public utilities and other private persons
24 willing and able to finance, acquire and operate the eligible
25 facilities described in the notice shall have thirty days from

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1 the date of the final notice to notify the authority of
2 intention and ability to finance, acquire and operate the
3 eligible facilities described in the notice; and

4 (4) in the absence of notification by a public
5 utility or other private person, or if a person, having given
6 notice of intention to provide funds for, acquire, maintain and
7 operate the eligible facilities contemplated by the authority,
8 fails to make a good faith effort to commence the same within
9 twelve months from the date of notification by the authority of
10 its intention, the authority may proceed to finance or plan,
11 acquire, maintain and operate the eligible facilities
12 originally contemplated, provided that a person that, within
13 the time required, has made necessary applications to acquire
14 federal, state, local or private permits, certificates or other
15 authorizations necessary to acquire the eligible facilities
16 shall be deemed to have commenced the same as long as the
17 person diligently pursues the permits, certificates or other
18 authorization.

19 D. In soliciting and entering into contracts for
20 the transmission or storage of electricity, the authority and
21 any person leasing or operating eligible facilities financed or
22 acquired by the authority shall, if practical, give priority to
23 those contracts that will transmit or store electricity to be
24 sold and consumed in New Mexico.

25 E. The authority and any eligible facilities

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1 acquired by the authority shall not be subject to the
2 supervision, regulation, control or jurisdiction of the public
3 regulation commission; provided that nothing in this subsection
4 shall be interpreted to allow a public utility to include the
5 cost of using eligible facilities in its rate base without the
6 approval of the public regulation commission.

7 F. In exercising its powers and duties, the
8 authority shall not own or control facilities unless:

9 (1) the facilities are leased or held for
10 lease or sale to a public utility or other private person;

11 (2) the operation, maintenance and use of the
12 facilities are vested by lease or other contract in a public
13 utility or other private person; or

14 (3) the facilities are owned or controlled for
15 a period of not more than one hundred eighty days after
16 termination of a lease or contract described in Paragraph (1)
17 or (2) of this subsection or after the authority gains
18 possession of the facilities following a breach of such a lease
19 or contract or as a result of bankruptcy proceedings.

20 Section 6. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
21 BONDS--APPROPRIATION OF PROCEEDS.--

22 A. The authority is authorized to issue and sell
23 revenue bonds, known as "renewable energy transmission bonds",
24 payable solely from the renewable energy transmission bonding
25 fund, in compliance with the New Mexico Renewable Energy

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1 Transmission and Storage Authority Act, for the purpose of
 2 entering into a project when the authority determines that the
 3 project is needed.

4 B. The net proceeds from the bonds are appropriated
 5 to the authority for the purpose of financing or planning and
 6 acquiring eligible facilities.

7 Section 7. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
 8 BONDING FUND CREATED--MONEY IN THE FUND PLEDGED.--

9 A. The "renewable energy transmission bonding fund"
 10 is created in the state treasury. The fund shall consist of
 11 revenues received by the authority from operating or leasing
 12 eligible facilities, fees and service charges collected, and,
 13 if the authority has provided financing for eligible
 14 facilities, money from payments of principal of and interest on
 15 loans. Earnings of the fund shall be credited to the fund.
 16 Balances in the fund at the end of any fiscal year shall remain
 17 in the fund, except as provided in this section.

18 B. Money in the renewable energy transmission
 19 bonding fund is pledged for the payment of principal and
 20 interest on all bonds issued pursuant to the New Mexico
 21 Renewable Energy Transmission and Storage Authority Act. Money
 22 in the fund is appropriated to the authority for the purpose of
 23 paying debt service, including redemption premiums, on the
 24 bonds and the expenses incurred in the issuance, payment and
 25 administration of the bonds.

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1 C. On the last day of January and the last day of
2 July of each year, the authority shall estimate the amount
3 needed to make debt service and other payments during the next
4 twelve months from the renewable energy transmission bonding
5 fund on the bonds plus the amount that may be needed for any
6 required reserves. The authority shall transfer to the
7 renewable energy transmission and storage authority operational
8 fund any balance in the renewable energy transmission bonding
9 fund above the estimated amounts.

10 D. Bonds issued pursuant to the New Mexico
11 Renewable Energy Transmission and Storage Authority Act shall
12 be payable solely from the renewable energy transmission
13 bonding fund or, with the approval of the bondholders, such
14 other special funds as may be provided by law and do not create
15 an obligation or indebtedness of the state within the meaning
16 of any constitutional provision. No breach of any contractual
17 obligation incurred pursuant to that act shall impose a
18 pecuniary liability or a charge upon the general credit or
19 taxing power of the state, and the bonds are not general
20 obligations for which the state's full faith and credit is
21 pledged.

22 E. The state does hereby pledge that the renewable
23 energy transmission bonding fund shall be used only for the
24 purposes specified in this section and pledged first to pay the
25 debt service on the bonds issued pursuant to the New Mexico

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1 Renewable Energy Transmission and Storage Authority Act. The
 2 state further pledges that any law requiring the deposit of
 3 revenues in the renewable energy transmission bonding fund or
 4 authorizing expenditures from the fund shall not be amended or
 5 repealed or otherwise modified so as to impair the bonds to
 6 which the renewable energy transmission bonding fund is
 7 dedicated as provided in this section.

8 Section 8. [NEW MATERIAL] AUTHORITY TO REFUND BONDS.--The
 9 authority may issue and sell at public or private sale bonds to
 10 refund outstanding renewable energy transmission bonds by
 11 exchange, immediate or prospective redemption, cancellation or
 12 escrow, including the escrow of debt service funds accumulated
 13 for payment of outstanding bonds, or any combination thereof,
 14 when, in its opinion, such action will be beneficial to the
 15 state.

16 Section 9. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
 17 BONDS--FORM--EXECUTION.--

18 A. The authority, except as otherwise specifically
 19 provided in the New Mexico Renewable Energy Transmission and
 20 Storage Authority Act, shall determine at its discretion the
 21 terms, covenants and conditions of the bonds, including, but
 22 not limited to, date of issue, denominations, maturities, rate
 23 or rates of interest, call features, call premiums,
 24 registration, refundability and other covenants covering the
 25 general and technical aspects of the issuance of the bonds.

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1 B. The bonds shall be in such form as the authority
2 may determine, and successive issues shall be identified by
3 alphabetical, numerical or other proper series designation.

4 C. Bonds shall be signed and attested by the
5 executive director of the authority and shall be executed with
6 the facsimile signature of the chair of the authority and the
7 facsimile seal of the authority, except for bonds issued in
8 book entry or similar form without the delivery of physical
9 securities. Any interest coupons attached to the bonds shall
10 bear the facsimile signature of the executive director of the
11 authority, which officer, by the execution of the bonds, shall
12 adopt as his own signature the facsimile thereof appearing on
13 the coupons. Except for bonds issued in book entry or similar
14 form without the delivery of physical securities, the Uniform
15 Facsimile Signature of Public Officials Act shall apply, and
16 the authority shall determine the manual signature to be
17 affixed on the bonds.

18 Section 10. [NEW MATERIAL] PROCEDURE FOR SALE OF
19 RENEWABLE ENERGY TRANSMISSION BONDS.--

20 A. Bonds shall be sold by the authority at such
21 times and in such manner as the authority may elect, either at
22 private sale for a negotiated price or to the highest bidder at
23 public sale for cash at not less than par and accrued interest.

24 B. In connection with any public sale of the bonds,
25 the authority shall publish a notice of the time and place of

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1 sale in a newspaper of general circulation in the state and
 2 also in a recognized financial journal outside the state. The
 3 publication shall be made once each week for two consecutive
 4 weeks prior to the date fixed for such sale, the last
 5 publication to be two business days prior to the date of sale.
 6 The notice shall specify the amount, denomination, maturity and
 7 description of the bonds to be offered for sale and the place,
 8 day and hour at which sealed bids therefor shall be received.
 9 All bids, except those of the state, shall be accompanied by a
 10 deposit of two percent of the principal amount of the bonds.
 11 Deposits of unsuccessful bidders shall be returned upon
 12 rejection of the bid. At the time and place specified in such
 13 notice, the authority shall open the bids in public and shall
 14 award the bonds, or any part thereof, to the bidder or bidders
 15 offering the best price. The authority may reject any or all
 16 bids and readvertise.

17 C. The authority may sell a bond issue, or any part
 18 thereof, to the state or to one or more investment bankers or
 19 institutional investors at private sale.

20 Section 11. [NEW MATERIAL] NEW MEXICO RENEWABLE ENERGY
 21 TRANSMISSION AND STORAGE AUTHORITY ACT IS FULL AUTHORITY FOR
 22 ISSUANCE OF BONDS--BONDS ARE LEGAL INVESTMENTS.--

23 A. The New Mexico Renewable Energy Transmission and
 24 Storage Authority Act shall, without reference to any other act
 25 of the legislature, be full authority for the issuance and sale

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1 of renewable energy transmission bonds, which bonds shall have
2 all the qualities of investment securities under the Uniform
3 Commercial Code and shall not be invalid for any irregularity
4 or defect or be contestable in the hands of bona fide
5 purchasers or holders thereof for value.

6 B. The bonds are legal investments for any person
7 or board charged with the investment of any public funds and
8 are acceptable as security for any deposit of public money.

9 Section 12. [NEW MATERIAL] SUIT MAY BE BROUGHT TO COMPEL
10 PERFORMANCE OF OFFICERS.--Any holder of bonds or any person or
11 officer being a party in interest may sue to enforce and compel
12 the performance of the provisions of the New Mexico Renewable
13 Energy Transmission and Storage Authority Act.

14 Section 13. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
15 BONDS TAX EXEMPT.--All renewable energy transmission bonds
16 shall be exempt from taxation by the state or any of its
17 political subdivisions.

18 Section 14. [NEW MATERIAL] RENEWABLE ENERGY TRANSMISSION
19 AND STORAGE AUTHORITY OPERATIONAL FUND.--The "renewable energy
20 transmission and storage authority operational fund" is created
21 in the state treasury. The fund shall consist of money
22 appropriated and transferred to the fund. Earnings from
23 investment of the fund shall be credited to the fund. Money in
24 the fund is appropriated to the authority for the purpose of
25 carrying out the provisions of the New Mexico Renewable Energy

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1 Transmission and Storage Authority Act. Any unexpended or
2 unencumbered balance remaining at the end of a fiscal year
3 shall not revert. Disbursements from the fund shall be made
4 upon warrants drawn by the secretary of finance and
5 administration pursuant to vouchers signed by the executive
6 director of the authority.

7 Section 15. [NEW MATERIAL] REPORT TO LEGISLATURE.--The
8 authority shall submit a report of its activities to the
9 governor and to the legislature not later than December 1 of
10 each year. Each report shall set forth a complete operating
11 and financial statement covering its operations for the
12 previous fiscal year.

13 Section 16. [NEW MATERIAL] LEGISLATIVE OVERSIGHT
14 COMMITTEE.--

15 A. There is created a joint interim legislative
16 committee that shall be known as the "New Mexico renewable
17 energy transmission and storage authority oversight committee".
18 The New Mexico legislative council shall determine the
19 membership of the committee and shall appoint the members and
20 designate the chairperson and the vice chairperson in
21 accordance with legislative council policies. The staff for
22 the committee shall be provided by the legislative council
23 service.

24 B. The New Mexico renewable energy transmission and
25 storage authority oversight committee shall:

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1 (1) monitor and oversee the operation of the
2 authority;

3 (2) meet on a regular basis to receive and
4 review reports from the authority on implementation of the
5 provisions of the New Mexico Renewable Energy Transmission and
6 Storage Authority Act and to review rules proposed for adoption
7 pursuant to that act;

8 (3) review and provide assistance and advice
9 to the authority before the authority enters into a project;

10 (4) undertake an ongoing examination of the
11 statutes, constitutional provisions, regulations and court
12 decisions governing energy transmission and renewable energy
13 development; and

14 (5) report its findings and recommendations,
15 including recommended legislation or necessary changes, to the
16 governor and to each session of the legislature. The report
17 and proposed legislation shall be made available on or before
18 December 15 of each year.

19 Section 17. A new section of the Gross Receipts and
20 Compensating Tax Act is enacted to read:

21 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--RECEIPTS
22 FROM SELLING EQUIPMENT OR CERTAIN SERVICES FOR CERTAIN ELECTRIC
23 TRANSMISSION FACILITIES.--The receipts from selling equipment
24 or providing services to the New Mexico renewable energy
25 transmission and storage authority or an agent or lessee of the

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1 authority for the planning, construction, repair, maintenance
2 or operation of an electric transmission and storage facility
3 acquired by the authority pursuant to the New Mexico Renewable
4 Energy Transmission and Storage Authority Act may be deducted
5 from gross receipts."

6 Section 18. EFFECTIVE DATE.--The effective date of the
7 provisions of this act is July 1, 2005.