

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/10

SPONSOR Griego, P. LAST UPDATED _____ HB _____

SHORT TITLE Wind Turbine Regulation Working Group SJM 30

ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$5.0 - \$25.0			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 30 requests the PRC form a multidisciplinary working group to evaluate the need for regulation of wind turbines one megawatt or greater in size in New Mexico, including the siting of wind facilities, taking into consideration the health, safety and general welfare of the public and cultural and environmental considerations.

SJM 30 also directs the working group to compile information on the net economic benefits of commercial wind facilities deployed in the state over the last ten years.

The PRC is requested to include the following in the working group representatives from the EMNRD, the Economic Development Department, the Department Of Environment, the Department of Health, the State Land Office, the New Mexico Association of Counties, the New Mexico Citizens Alliance for Responsible Energy and Sustainability and the wind power industry as well as experts, members of the public and members from the 2009 interim committees on science, technology and telecommunications, economic and rural development, water and natural resources and radioactive and hazardous materials.

The PRC will chair the working group The PRC is requested to hold at least three meetings make recommendations to an appropriate interim committee of the legislature by December 1, 2010

FISCAL IMPLICATIONS

The Energy Conservation and Management Division (ECMD) of EMNRD administers the Renewable Energy Production Tax Credit, coordinates a wind working group, manages a wind monitoring program, and provides technical assistance to wind developers and the public. EMNRD notes that reduction of general fund to ECMD may impact technical support for wind, including the ability to allocate resources for the meetings.

SIGNIFICANT ISSUES

Wind energy is a clean renewable resource of significant abundance in the state of New Mexico.

Utility-scale wind-powered electric generation facilities are almost completely unregulated.

The local environmental impact and health impacts of proposed utility-scale wind facilities should be taken into consideration in evaluating the siting and operation of new wind facilities.

The protection of public health through safety standards, including setback standards from homes and noise-limit standards that include hazardous low-frequency noise, should be considered.

Protection of the environment, including scenery, historic sites and wildlife corridors, as well as night skies, should be taken into account.

A code of conduct for the wind power industry that guarantees procedural transparency to residents and provides for oversight of the industry should be considered.

Approval by the PRC is currently required for power plants of any type over 300 megawatts capacity, including wind power plants. It is not required for power plants of any type under 300 megawatts capacity. The siting of wind power plants and assessment of their environmental impacts has not been a function of New Mexico state government to date because all wind power plants in New Mexico are less than 300 megawatts capacity.

ADMINISTRATIVE IMPLICATIONS

Agencies affected by this memorial will be required to handle the provisions of this memorial with existing staff as part of ongoing responsibilities.

DW/svb