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FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/11

SPONSOR Roch LAST UPDATED HB 387

SHORT TITLE Add Members to Renewable Energy Authority SB

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 82.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
Renewable Energy Transmission Authority (RETA)

SUMMARY

Synopsis of Bill

House Bill 387 would amend Section 62-16A-1 NMSA 1978 by changing the membership of the New Mexico Renewable Energy Transmission Authority (RETA). Specifically, the bill would make the following changes.

1. The total number of members increases from seven to nine.
2. The number of members appointed by the Governor with the advice and consent of the Senate increases from three to four.
3. The State Investment Officer is removed from the Authority and replaced with the Secretary of the Energy, Minerals and Natural Resources Department or the Secretary's designee (changing the EMNRD Secretary from an ex-officio non-voting member to a voting member).
4. The Commissioner of Public Lands or his designee is added to the membership.
5. The number of appointed members that are required to have special knowledge of the public utility industry and knowledge of renewable energy development is reduced from four to two.
6. One appointed member is required to be a land owner and member of an

association that “works with its landowner members in the development of renewable energy.” The landowner member appointed in 2011 would serve a one-year term to maintain staggered terms.

7. The number of members’ votes necessary for any action to be taken by the Authority and to “call” a meeting is increased from four to five.

FISCAL IMPLICATIONS

House Bill 387 makes no appropriation.

The RETA, which receives no state funding, claims it will have increased operating costs due to an increase in per diem eligible members.

SIGNIFICANT ISSUES

The RETA notes that the commissioner of public lands and the landowner may have conflicts of interest on certain issues and will need to recuse themselves from votes by the board. Renewable energy developers may have land leased from the state or a landowner which could create this conflict.

The EMNRD notes that House Bill 387 conflicts with Senate Bill 82. Senate Bill 82 removes the State Investment Officer from the RETA and leaves the total number of members at six. House Bill 387, while also removing the State Investment Officer from the RETA, would make other changes that would increase the total membership to nine.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 387 relates to Senate Bill 82 which removes the State Investment Officer from the board.

TECHNICAL ISSUES

The EMNRD points out that Section 62-16A-1 NMSA 1978, as amended by this bill, allows the governor to appoint 4 members of the RETA, the Speaker of the House to appoint one member and the President pro tempore of the Senate to appoint one member. It also requires one member appointed by the Governor have “expertise in financial matters involving the financing of major electrical transmission projects.” The proposed changes would require two “appointed” members have knowledge of renewable energy development and another member be a landowner. It does not clarify which of the appointing parties must use their appointments to satisfy the specialized knowledge or status criteria.