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FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/19
LAST UPDATED 03/10/19 **HM** 71/aHENRC

SPONSOR Akhil

SHORT TITLE Study Smart, Hybrid Microgrids for New Energy **SB** _____

ANALYST Hanika Ortiz/Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	No Fiscal Implications					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of HENRC Amendment

The House Energy, Environment and Natural Resources Committee amendment to House Memorial 71 shifts the responsibility of establishing a task force and conducting a study from the Energy, Minerals and Natural Resources Department (EMNRD) to the Renewable Energy Transmission Authority (RETA).

Synopsis of Original Memorial

House Memorial 71 requests the Energy, Minerals and Natural Resources Department (EMNRD) establish a task force to study the efficacy of smart, hybrid microgrids to accelerate the implementation of a mix of energy that emphasizes clean, renewable energy.

FISCAL IMPLICATIONS

LFC staff assumes ENMRD can participate within its increased operating budget for FY20, with no additional fiscal impact to the state. Other stakeholders from industries and communities would have to bear their own personnel, travel, and other per diem costs.

If EMNRD is responsive to this request, the task force it convenes will report its findings, conclusions, and recommendations to the appropriate interim legislative committee by December 1, 2019. EMNRD will seek participation from 1) a renewable energy research group at a New Mexico university, 2) the renewable energy technologies group at a national laboratory, 3) an investor-owned electric utility in New Mexico, 4) a municipal electric utility provider in New

Mexico, 5) an electric cooperative in New Mexico, and 6) a private business in the clean and renewable energy field. The task force should also consider representatives from other natural resources agencies and neighborhood associations to support the integration of renewable energy.

SIGNIFICANT ISSUES

HM71 notes a gap developing between wealthy and poor New Mexicans with respect to accessing renewable energy sources due to upfront capital costs associated with installing equipment and converting to using more reliable renewable energy. Further, New Mexicans who can afford the newest and best energy generation technology drive the cost of energy up for those who cannot.

HM71 defines “smart, hybrid microgrids” as modern, small-scale versions of the centralized electricity system that deliver electricity to homes and businesses, integrate multiple electricity generation sources into the electrical grid, including solar and wind, and allow electrical grid operators to direct energy to different locations around the electrical grid to meet demand.

HM71 also asks ENMRD to include in the study how legislative and executive branches, in concert with the Public Regulation Commission, can assist investor-owned utilities and cooperative utilities attain stated renewable portfolio standards goals by requiring the inclusion of smart, hybrid microgrids and updated hybrid technologies into utilities' integrated resource plans.

AHO/sb/gb