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## FISCAL IMPACT REPORT

**SPONSOR** Tallman **ORIGINAL DATE** 1/26/19  
**LAST UPDATED** 2/1/19 **HB** \_\_\_\_\_

**SHORT TITLE** Renewable Energy Transmission Authority Funds **SB** 161/aSCONC

**ANALYST** Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
\$350.0	\$350.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Similar to 2018 Senate Bill 82

### SOURCES OF INFORMATION

LFC Files

#### Responses Not Received From

Department of Finance and Administration (DFA)

Department of Health (DOH)

New Mexico Environment Department (NMED)

Office of the Natural Resources Trustee (ONRT)

### SUMMARY

#### Synopsis of SCONC Amendment

The Senate Conservation Committee Amendment to Senate Bill 161 reduces the appropriation to \$350 thousand.

#### Synopsis of Original Bill

Senate Bill 161 appropriates \$700 thousand to the Department of Finance and Administration for expenditure by the New Mexico Renewable Energy Transmission Authority.

### FISCAL IMPLICATIONS

The appropriation of \$700 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of each fiscal year shall revert to the general fund.

## SIGNIFICANT ISSUES

New Mexico Renewable Energy Transmission Authority states its purpose on its website as “RETA has the ability to review and provide input on the environmental and fiscal impacts of a project in the State of New Mexico as well as ensure that landowners are being treated equitably and compensated fairly.” Its board of directors includes the state treasurer and the secretary of the Energy, Minerals & Natural Resources Department.

Currently, RETA receives operating revenue from Clean Line Energy Partners, the company developing the Western Spirit transmission line. RETA’s FY17 audit showed \$100.3 thousand in operational expenses and \$80 thousand in revenue from Clean Line Energy Partners. RETA’s net position at the beginning of FY17 was \$57 thousand which declined to \$36 thousand by the end of FY17.

RETA was established in 2007 and funded with a \$1 million general fund appropriation. No permanent funding source was provided to continue its operations as RETA was supposed to receive annual fees from completed projects sufficient to sustain operations. According to RETA, the Western Spirit project that RETA is co-developing is close to the end of the development cycle. Once complete, RETA will receive an annual fee sufficient to fund its operations.

Since 2007, RETA has received \$2.6 million from the general fund and \$1.1 million from private sources.

**RELATED TO** 2017 Senate Bill 82, which made an appropriation to the same agency of \$250 thousand, but did not pass.

LAC/gb/sb/al

From the New Mexico Renewable Energy Transmission Authority website,  
<https://nmreta.com/renewable-energy/>

## What is Renewable Energy?

Renewable energy is sourced from natural resources, such as from wind or the sun, and cannot be depleted.

But, more than that, renewable energy is an opportunity for New Mexico to positively impact the environment while also growing the state's economy.

## Why is Renewable Energy Good for New Mexico?

**Renewable energy increases economic development.** Transmission projects attract large investments from the private sector to New Mexico. The development of renewable energy creates a complementary economic opportunity to our existing oil and gas industry. Much of New Mexico's economy is based on the export of oil and gas production and the same model is being used for renewable resources.

**Renewable energy brings rural jobs and capital investment.** Large renewable generation and transmission developments take place primarily in rural New Mexico. These developments create hundreds of construction jobs, high-paying, permanent jobs and capital investment in these communities.

**Renewable energy facilitates urban recruitment.** Many companies, such as Netflix and Facebook, are part of a growing trend for large high-tech, consumers to acquire their power from renewable resources. The generation and transmission of renewable energy increase the renewable capacity of the New Mexico system and allow for increased opportunities to attract businesses and further expand New Mexico's economy.

**New Mexico residents can go green.** By producing and transporting this energy, renewables will become available for purchase by New Mexico utilities and by customers in neighboring states.

## Why is New Mexico Good for Renewable Energy?

As you might have experienced, New Mexico is bountiful in sunlight and wind. On average, New Mexico experiences about 278 days of sun, and in some places, wind speeds of up to 50 miles per hour. The eastern part of the state also boasts some of the best winds in the nation.

## We are Blessed With Resources and Poised for Greatness

New Mexicans have much to take pride in regarding its natural resources. Our state's beauty is world renowned, and we have a unique opportunity to become a nationwide leader in renewable energy generation. Now is the time to invest in the transmission infrastructure needed to deliver our renewable energy for in-state usage and export to nearby states that will benefit our state for decades to come.