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FISCAL IMPACT REPORT

SPONSOR Kernan ORIGINAL DATE 03/07/19
 LAST UPDATED 03/13/19 HB _____

SHORT TITLE Study Wind Turbine Decommissioning SM 66/aSRC

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$26.3		\$26.3	Nonrecurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (ENMRD)

SUMMARY

Synopsis of Amendment

The Senate Rules Committee Amendment to Senate Memorial 66 restricts the study to how the state may best require assurances for the decommissioning of wind turbines.

Synopsis of Original Bill

Senate Memorial 66 requests that the ENMRD study how the state may best require assurances for the decommissioning of wind turbines and the restoration of lands used for wind turbine and wind farm siting. EMNRD is requested to work with diverse stakeholders including the State Land Office, the U.S. Bureau of Land Management, industry, and counties. By November 1, 2019, EMNRD would present the findings of the study to an appropriate interim legislative committee.

FISCAL IMPLICATIONS

The estimated additional operating budget impact table reflects EMNRD's estimate to convene stakeholder meetings and contract for proposals to complete the study by November 1, 2019. However, if ENMRD used existing staff resources, those costs could be reduced by \$20 thousand.

SIGNIFICANT ISSUES

No single agency in New Mexico issues permits or requires financial assurance for wind turbines. The requirements depend in part on where the facility is located. The State Land Office has an existing process and experience in requiring decommissioning bonds for wind farms on state lands.

AHO/gb