

HOUSE MEMORIAL 9

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Joseph L. Sanchez and Daniel R. Barrone and Andrea Romero and
Abbas Akhil

This document incorporates amendments that have been adopted during the current legislative session. The document is a tool to show the amendments in context and is not to be used for the purpose of amendments.

A MEMORIAL

REQUESTING THAT THE STATE INVESTMENT OFFICE DEVELOP A STRATEGIC PLAN PROVIDING FOR STATE INVESTMENT IN NEW MEXICO RENEWABLE ENERGY, STORAGE AND TRANSMISSION.

WHEREAS, the New Mexico renewable energy industry is a growth sector; and

WHEREAS, the vast majority of revenue collected by the state land office is derived from the energy industry; and

WHEREAS, fossil fuels are a finite resource, and the fossil fuel industry is subject to economic boom and bust cycles; and

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WHEREAS, the state's economy would be strengthened by diversifying investments in New Mexico renewable energy projects, broadening energy exports and upgrading energy transmission infrastructure; and

WHEREAS, New Mexico renewable energy projects include energy generated from wind, solar Hfl→, **geothermal**, **biomass**←Hfl and other renewable sources and storage and transmission resources that are predominantly used to store or transmit renewable energy generated with New Mexico or New-Mexico-based renewable energy equipment manufacturing facilities; and

WHEREAS, other southwestern states are seeking to become renewable energy leaders, and New Mexico is in competition with these states to provide energy for the United States energy market; and

WHEREAS, if large-scale energy projects are not anticipated in New Mexico, the state may receive diminished access to new high-capacity transmission lines and an accompanying diminished ability to export its renewable energy; and

WHEREAS, renewable energy projects will be disproportionately built in 2020 and 2021 due to incentives provided by the federal investment tax credit;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the state

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recognize the immediate need to build and invest in large-scale New Mexico renewable energy projects and to become a leader in the renewable energy market and that immediate participation in this market may generate significant revenue for the state; and

BE IT FURTHER RESOLVED that the state promote and participate in growing the state's renewable energy industry to increase long-term revenue for the state land office, Native American tribes and the state; and

BE IT FURTHER RESOLVED that the state investment office Hf1→and the economic development department←Hf1, in consultation with the state land office, be requested to research and draft a strategic plan to establish a New Mexico renewable energy investment policy, with the purpose of beginning investment in New Mexico renewable energy projects before 2021; and

BE IT FURTHER RESOLVED that the state investment office be requested to make a recommendation to the state investment council on the adoption of the strategic plan, which shall also be presented to the appropriate interim legislative committees; and

Hf1→BE IT FURTHER RESOLVED that the strategic plan pursue investment opportunities with returns at or above market rates for funds subject to the Uniform Prudent Investor Act and that for funds that seek economically targeted investments, the strategic plan pursue investments that maximize benefit to

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taxpayers, including investment opportunities with returns at or above market rates; and←Hf1

BE IT FURTHER RESOLVED that, in developing a strategic plan, the state investment office be requested to examine, report and make recommendations to the state investment council on each of the following:

A. the impact of supplementing current oil and gas investments with large investments in New Mexico renewable energy projects Hf1→, which may include a request for information soliciting responses from private investment funds capable of managing those investment vehicles←Hf1, and the effect this may have on revenue and investment risk strategies;

B. the identification of fund managers, investment funds and innovative and new investment vehicles capable of managing and investing in New Mexico renewable energy projects;

C. the identification of state funding sources eligible for investment in identified investment vehicles and other innovative strategies to allow investment of state funding sources in New Mexico renewable energy projects;

D. strategies for financing low and moderate risk debt for utility-scale solar, wind and storage projects in New Mexico and analyzing which state funding sources may participate in these investments;

E. opportunities to provide economically targeted investments in New Mexico renewable energy projects that

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increase revenue to the state land office, Native American tribes and the state;

F. opportunities to collaborate with electric cooperatives, utilities, Native American tribes and private investors to invest in and place New Mexico renewable energy projects on Native American land, land managed by the state land office and other state land;

G. the amount of New Mexico renewable energy project investment opportunities available in calendar year 2020 and subsequent years;

H. the identification or development of a suitable quantifiable metric for measuring increases in state revenue resulting from investment in New Mexico renewable energy projects;

I. investment opportunities in advanced renewable energy, storage and transmission projects and projects that promote environmental remediation;

J. investment opportunities in renewable energy manufacturing, construction and related industry in New Mexico-based businesses;

K. strategies for prioritizing investing money from state funding sources in New Mexico renewable energy projects; and

L. other information deemed relevant by the state investment office; and

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BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the state investment council, the state investment officer, the commissioner of public lands, Hfl→the economic development department, the energy, minerals and natural resources department, ←Hfl the secretary of Indian affairs and the secretary of environment.

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