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## FISCAL IMPACT REPORT

**SPONSOR** Soules **ORIGINAL DATE** 01/23/21 **LAST UPDATED** 02/18/21 **HB** \_\_\_\_\_  
**SHORT TITLE** Wiring For Photovoltaic System **SB** 113/aSCONC  
**ANALYST** Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB132 Photovoltaic Systems in New Homes and SB29 Cost of Photovoltaic Systems

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)  
 New Mexico Attorney General (NMAG)

#### SUMMARY

##### Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to Senate Bill 113 would require all new residential construction to “have one-inch conduit installed in the walls” for photovoltaic systems and include at least “two two-hundred-forty-volt electrical receptacles sufficient” for charging multiple vehicles.

#### SIGNIFICANT ISSUES

The specific electrical systems in the amendment will increase costs for home construction.

##### Synopsis of Original Bill

Senate Bill 113 proposes a new section to the Construction Industries Licensing Act to require all new residential construction after July 1, 2021 to be wired so that a photovoltaic system may be easily installed and to include at least one electrical receptacle for charging an electric vehicle. The bill defines a photovoltaic system as “...a power system designed to supply usable solar

power to a residence that may be a grid-tied, grid-hybrid or off-grid system.”

The bill provides that the commission shall promulgate rules to modify New Mexico’s adopted national electrical code to implement these new provisions.

### **FISCAL IMPLICATIONS**

RLD did not suggest funding would be needed to enforce compliance with the new rules.

For a photovoltaic system, RLD reported the cost to homeowners for a 2,000 square foot home is approximately \$600. The cost associated with a standard 200 amp service for a single-family home is approximately \$450 if increased amperage is not required and no additional charges are sought from the utility company. For a multi-family structure, the cost is approximately \$1,000, which is less than the cost of retrofitting that same capability in an existing structure.

There is also the possibility of increased construction costs should an engineer be required to draft plans to ensure a roof can support the added load of a solar photovoltaic system.

### **SIGNIFICANT ISSUES**

RLD defined residential construction as single-family and multi-family homes up to four units. Starting July 1, 2021, all new residential construction would be required to be wired for installation of a solar power system and include an electrical receptacle for charging an electric vehicle. The construction industries commission would be responsible to submit specifications for compliance.

RLD noted the electrical bureau at its Construction Industries Division bases its standards on national standards from the National Fire Protection Association (NFPA) adapted for adobe and flat roof construction. The NFPA has not implemented provisions for residential solar installations.

RLD also noted the International Code Council (ICC) approved provisions to require all new homes be energy vehicle (EV) ready. For a single-family home this means installing the proper panels, outlets and conduits to make it ready for the charger. For multi-family structures, the code recommends there be two “EV-ready” parking spots with additional parking spots “EV-capable” allowing easy retrofitting with a 240 volt outlet. The implementation of EV-readiness by the ICC creates best practices and standards for construction. RLD further noted that New Mexico is expected to incorporate these standards into its 2021 residential building code enactment process.

### **ADMINISTRATIVE IMPLICATIONS**

The commission will be required to promulgate rules modifying residential building codes.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

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### **OTHER SUBSTANTIVE ISSUES**

The ICC reports there will need to be 9.6 million new EV charging ports in the United States by

2030, with nearly 80 percent located in single and multifamily residential buildings.

**AMENDMENTS**

RLD suggests amending Section 1C to recognize the requirements of NMSA 1978, § 60-13-9 F as to the Construction Industries Division and in particular the trade bureaus recommending adopting of rules for building codes and minimum standards to be approved by the commission.

“The electrical trade bureau shall draft rules to be approved by the construction industries commission modifying the New Mexico electrical code to include these provisions.”

AHO/rl/al/rl