

LFC Requester:	Laird Graeser
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1/25/24
Bill No: HB189

Sponsor: Rep. Kristina Ortez
Short Title: LOW-INCOME SOLAR ACT

Agency Name and Code HCA-630
Number: _____
Phone: _____
Email Marilyn Wright
marilyn.wright@hds.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$0.00	\$0.00	None	None

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
\$0.00	\$0.00	\$0.00	None	None

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Duplicate to SB2 and 2023 SB435
Duplicates/Relates to Appropriation in the General Appropriation Act None

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 189 (HB0189) adds the Low-income Solar Act to the Public Utility Act, which requires utilities to provide virtual net metering for qualifying low-income multifamily residential properties. HB0189 is an Act relating to utilities requiring equitable distribution of benefits of on-site solar generated energy generated on affordable housing. HB0189 also grants a property tax zero valuation for all solar energy systems, not just those discussed in the Low-income Solar Act. This Act restricts some utility fees for solar on affordable housing.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

HB0189 is unclear what incentive the owner of a qualifying low-income multifamily residential property would have to incur the capital cost of installing such a system. As the capital cost of the system and production meter and the cost of needed upgrades to the utility system may be significant, there may not be sufficient financial incentive for the installation of such systems.

It is also noted that the legislation does not prevent a building owner from increasing tenant rent to pay for the cost of solar energy systems. This could result in unintended consequences for landlords to increase their low-income residents' rent to offset system installation costs, which could offset any financial benefit the tenants were supposed to receive.

PERFORMANCE IMPLICATIONS

This bill relates to and addresses existing gaps in the community solar act as it provides a framework for shared distributed generation systems located on affordable housing. It creates opportunities for affordable housing owners and tenants to be more directly involved in the benefits and involvement in community solar projects. By introducing provisions for low-income housing shared distributed generation systems, the bill also encourages and outlines a framework for the equitable distribution of solar energy benefits among residents of multifamily properties.

ADMINISTRATIVE IMPLICATIONS

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 189 is a duplication of Senate Bill 2 (SB 2) Low Income Solar Act.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None