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FISCAL IMPACT REPORT

02/06/13

ORIGINAL DATE 03/07/13 279/HENRCS

SPONSOR HENRC **LAST UPDATED** 03/14/13 **HB** /aSCONC

SHORT TITLE Solar Collector Rules for Permits **SB** _____

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Energy and Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of the SCONC Amendment

The Conservation Committee amendment to the House Business and Industry Committee amendment for House Bill 279 creates a new section in the bill; "Section 3 Repeal" in order to repeal Section 71-6-7.1 NMSA 1978, covering rulemaking regarding construction standards as to solar collectors. The amendment also removes the brackets and line through "and commission" to reinstate the commission as an oversight aspect of the rules, standards and codes for solar collectors.

Synopsis of the HBIC Amendment

The House Business and Industry Committee amendment to the House Energy and Natural Resources Committee substitute for House Bill 279 strikes after "promulgate" the remainder of the line, continuing through lines 22 through 24 in their entirety as follows:

~~promulgate rules, standards or codes that establish requirements for new construction that will accommodate the installation of solar collectors to or on the new construction after the construction is otherwise complete."~~

And request to replace with:

"rules to establish a uniform procedure for the issuance of permits for the construction and installation of solar collectors and to identify the trade bureau having jurisdiction over the construction and installation of solar collectors."

Synopsis of Original Bill

The House Energy and Natural Resources Committee substitute for House Bill 279 (HB 279) amends sections in the Construction Industries Licensing Act regarding promulgating rules and standards for solar collectors.

HB 279 amends Section 60-13-10.2 NMSA 1978 to direct the Regulation and Licensing Department (RLD) Construction Industries Division (CID) promulgate rules, standards or codes that establish requirements for new construction that will accommodate the installation of solar collectors to or on the new construction after construction is completed. The existing statute requires the CID to enact rules jointly with the Construction Industries Commission and the Energy, Minerals and Natural Resources Department (EMNRD).

HB 279 also amends Section 60-13-32 to revise the definition of “electrical wiring” to include solar electricity generating equipment of 10 kilowatts or less.

FISCAL IMPLICATIONS

No Fiscal Impact

SIGNIFICANT ISSUES

The EMNRD Comments:

Since the CID currently has final inspection approval of solar system installations through the standard process of the CID or the local building code authority having jurisdiction, it makes sense for the CID to have this rulemaking authority. This applies to both solar thermal (e.g., domestic hot water) and PV system types; the solar system’s permitting procedure depends on the trade associated with the solar system type (solar thermal = plumbing or mechanical; PV = electrical). It is possible that some substandard solar system installations are occurring since the permitting procedure through the associated trade is somewhat general, rather than specific to solar systems.

The RLD Comments:

The addition of “such as solar electricity generating equipment” in NMSA 1978 § 60-13-42 (A) will not separate solar generating equipment from other electrical generating equipment, but will help clarify that it is included and eliminate any exclusion of solar equipment in interpretation.

ADMINISTRATIVE IMPLICATIONS

The Construction Industries Division will create one permit for solar generating equipment 10kw and smaller. The permit will clearly define the license types that may permit this work. The CID will also propose, through presentation to the Construction Industries Commission and public

hearing, to broaden the scope of incidental work that can be performed by certain electrical classifications. This will provide clarity, statewide, to licensing classifications and will allow properly licensed electrical contractors to permit and perform the work for solar electricity generation equipment installations themselves.

TECHNICAL ISSUES

The EMNRD states that it is not clear if the solar collector permitting procedure would apply to both solar thermal collectors and solar PV modules. Sections 1, and 3, place the same rulemaking requirement in two different existing statutes. This seems duplicative, unnecessary and potentially conflicting. One requirement should be deleted.

RM/blm