

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Brown ORIGINAL DATE \_\_\_\_\_ LAST UPDATED \_\_\_\_\_ HB 406

SHORT TITLE Nuclear Energy As Renewable Energy SB \_\_\_\_\_

ANALYST Martinez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
NFI	NFI	NFI	NFI

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of Bill

HB406 amends the renewable energy act to include nuclear energy as a renewable energy source. In Section 1, E. “Renewable energy” means electric energy:

1. Generated by use of low-or-zero emissions generation technology with substantial long-term production potential; and
2. Generated by use of renewable energy resources that may include: solar, wind, nuclear and geothermal resources.
3. Does not include electric energy generated by use of fossil fuel. HB 406 removes nuclear energy from page 3, line 1.

### FISCAL IMPLICATIONS

HB406 carries no appropriation and has no fiscal impact on the Public Regulation Commission.

### SIGNIFICANT ISSUES

HB 406 expands the definition of renewable energy to include energy generated from nuclear resources and it removes the existing exclusion of nuclear energy as renewable energy.

HB 406, if enacted, will provide investor-owned electric utilities and rural electric cooperatives one more resource option to meet the renewable portfolio standard (RPS) requirements. Given that electric utilities have primarily relied on solar and wind resources to meet RPS requirements, it is possible that some utilities may choose nuclear renewable energy resources, instead of solar and wind renewable energy resources, to meet future RPS requirements.

HB 406 will require amendments to Rule 572 to include nuclear energy which may be protracted given that nuclear energy has never previously been considered to be renewable energy under the Renewable Energy Act.

### **ADMINISTRATIVE IMPLICATIONS**

NMPRC's Rule 17.9.572 NMAC (Rule 572) implements the Renewable Energy Act that would need to be amended by this bill.

### **ALTERNATIVES**

Leave unchanged the definition of renewable energy in the Renewable Energy Act which excludes nuclear energy.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The renewable energy act will remain as is, stating that renewable energy resources will only include: solar, wind, and geothermal resources.

Electric utilities will continue to rely primarily on solar and wind resources to meet future RPS requirements.

JM/al/jle