LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov (Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared:	February 10, 2025	Check all that apply:		
Bill Number:	H-327	Original \underline{X}	Correction	
		Amendment	Substitute	

	Randall T. Pettigrew, Jimmy G.	Agency Name	New Mexico Renewable Energy	
	Mason, Jonathan A. Henry,	and Code	Transmission Authority	
Sponsor:	Mark B. Murphy	Number:	(NM RETA)	
Short	Certain Natural Gas as	Person Writing	Chris Hyer	_
Title:	Renewable Energy	Phone: 505-699	0-0849 Email chris@nmreta.net	_

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring	Fund	
FY25	FY26	or Nonrecurring	Affected	

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 327 amends the Rural Electric Cooperative Act and the Renewable Energy Act to include electricity generated by combined cycle natural gas turbines as "renewable energy."

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

If enacted, HB 327 would change the renewable initiatives present in the two amended acts. The current definitions of renewable energy only include methods that do not emit carbon dioxide, and this definition change would affect the intent of the current legislation and impact renewable energy certificates and the methodology to verify compliance with the renewable portfolio standards process in the two Acts.

Amending this commonly understood and widely used definition to include a generating source that has heretofore been excluded may have ramifications beyond those identified herein; other state and federal programs may be affected. For example, if enacted, it may be interpreted that an entity could install a CCNG turbine at a host site under the provisions of 62-13-13.1 and be designated as **not** a public utility, thereby avoiding the jurisdiction, control, and regulation of the Public Regulation Commission. Additionally, if enacted, the definition of renewable energy may generate conflicts with projects supported under the *Renewable Energy Financing District Act* (5-18 NMSA 1978)

Because "renewable energy" is defined in the *New Mexico Renewable Energy Transmission Act* (62-16A NMSA 1978), and the definition specifically excludes "electric energy generated by use of fossil fuel..." this proposed legislation would not affect NM RETA's scope or authority.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB 327 is not enacted, the use of the term "renewable energy" throughout New Mexico laws and regulations will remain the same.

AMENDMENTS