

LFC Requester:	Austin Davidson
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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(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: 01/29/2025 *Check all that apply:*
Bill Number: SB 142 Original Correction
 Amendment Substitute

Sponsor: Sen. George K. Muñoz **Agency Name** 430 – Public Regulation
Rep. Meredith Dixon **and Code** Commission
Short Grid Modernization **Number:** _____
Title: RoadMap **Person Writing** J. Bogatko
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$150.0	\$150.0	Nonrecurring	Grid Modernization Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 142 carries proposed amendments to Section 71-11-1, NMSA 1978 – Grid modernization roadmap and grant program. The amendments are couched in two Sections and are summarized as follows:

SECTION 1.

Regarding paragraph A of Section 71-11-1, the statement of purpose for the statute is modified to include the intention that development of the grid modernization roadmap by the energy, minerals and natural resources department is to be done “in consultation with the public regulation commission.”

Paragraph C of Section 71-1-11 as currently written sets forth five criteria for approving grants under this legislation. SB 142 proposes a sixth consideration for approving grants in the form of Paragraph C(6), which is “the speed of deployment of the project.”

SB 142 provides amendments to Paragraph D(1) – (5) of Section 71-1-11, which identifies the types of applicants the grant program shall seek to fund. The amendments to Paragraph D also include the proposal of an additional category of applicant in the form of Paragraph D(6): school districts and charter schools.

SB 142 proposes to modify Paragraph E of Section 71-1-11, which generally requires coordination between projects receiving a grant from the program and their respective electric service providers in order to avoid adverse impacts to electrical system efficiency, reliability, resilience and security. The directive to coordinate is changed from “to be coordinated” to the more direct “coordinate”. The proposed treatment to Paragraph E also includes the following proviso in the event no electric service connection exists at the project site and reads as follows:

“If no electric service connection exists at the location of a proposed project, notice of the project shall be given to the electric service provider in whose territory the project is proposed to be located.”

SB 142 proposes a singular modification to Paragraph F of Section 71-1-11. Paragraph F specifies the contents of the grid modernization report that is to be provided by the department to the legislative finance committee prior to each regular legislative session. SB 142 focuses on paragraph F(4) with the insertion of the word “and” between the words “resilience” and “security”. Whereas “resilience” and “security” are separate subjects in the current formulation of the statute, SB 142 unifies them into one topic to be addressed in the aforesaid report.

SB 142’s amendments to Paragraph G include elimination of the conjunction “and” as seen in G(1) and G(2)(j).

There is also a proposed amendment in Paragraph G(2) which modifies the definition of “grid modernization” by adding the phrase “or net-zero carbon resources”, which would expand the breadth of the integrative impact of “grid modernization” beyond just “renewable electric generation resources”. SB 142’s amendments to Paragraph G also include changing the word “realtime” to “real-time” as seen in Paragraph G(2)(b), which is in keeping with grammatical convention.

Additionally, paragraph G adds sub-definitions expanding on the meaning of “grid modernization”, which includes deletion of the descriptor “other new technologies that may be developed reading the electric grid” and replacement of that passage with the following:

“construction of increased electric grid distribution capacity and transmission grid infrastructure, including substations and the purchase of high-capacity transmission lines, transformers and other electric grid equipment”.

SB 142’s treatment of Paragraph G(2) includes the addition of an entirely new descriptor in the form of G(2)(l), which reads as follows:

“enabling the application of artificial intelligence to identify methane leaks and opportunities to reduce or eliminate methane leaks”.

This is followed by the institution of a new paragraph in the form of Paragraph G(3), which provides the definition for “net-zero carbon resource”.

SECTION 2.

SECTION 2 is comprised of two paragraphs, A and B. These concern appropriations to the energy, minerals and natural resources department and the public regulation commission for expenditures in fiscal years 2025 and 2026 for administration costs related to carrying out the aims set forth in Section 1 of the act. To wit:

A. One hundred thousand dollars (\$100,000) is appropriated from the grid modernization grant fund to the energy, minerals and natural resources department.

B. Two hundred thousand dollars (\$200,000) is appropriated from the grid modernization grant fund to the public regulation commission.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

The public regulation commission would need to determine the level of staffing involvement that would be appropriate to fulfil the consultation role contemplated by SB 142.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None, at this time.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

None