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SENATE BILL 142

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

George K. Muñoz and Meredith A. Dixon

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO THE GRID MODERNIZATION ROADMAP AND GRANT PROGRAM; REQUIRING THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT, IN CONSULTATION WITH THE PUBLIC REGULATION COMMISSION, TO DEVELOP A ROADMAP FOR GRID MODERNIZATION; ADDING SCHOOL DISTRICTS AND CHARTER SCHOOLS AS ELIGIBLE LOCATIONS FOR PROPOSED PROJECTS; AMENDING THE DEFINITION OF "GRID MODERNIZATION" **SFC→**~~; MAKING APPROPRIATIONS~~**←SFC .**

.229760.1AIC February 25, 2025 (4:06pm)

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 71-11-1 NMSA 1978 (being Laws 2020, Chapter 15, Section 1) is amended to read:

"71-11-1. GRID MODERNIZATION ROADMAP AND GRANT PROGRAM.--

A. The energy, minerals and natural resources department, in consultation with the public regulation commission, shall develop a roadmap for grid modernization that shall detail priorities and strategies to modernize New Mexico's electric grid.

B. The department shall establish a grid modernization grant program to support implementation of a modern grid by providing grants to eligible projects proposed by:

(1) municipalities and county governments;

(2) state agencies;

(3) state universities;

(4) public schools;

(5) post-secondary educational institutions; and

(6) Indian nations, tribes and pueblos.

C. The department shall adopt rules establishing the application procedure, the required qualifications for projects and the purposes for which the grant may be used. In approving grants, consideration shall be given to:

(1) the extent to which the project improves electrical system efficiency, reliability, resilience and

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security; lowers operations and maintenance costs; and meets energy demands through a flexible, diversified and distributed energy portfolio consistent with New Mexico's energy goals;

(2) the extent to which the project incorporates a new technology or a new or innovative application of an existing technology that will provide useful information to the state, utilities, electric cooperatives and the general public related to grid modernization;

(3) the degree to which the project fosters the general public's, students' or a specific government or industry sector's overall understanding and appreciation of the benefits of modernizing the electric grid;

(4) the extent to which the project complements or coordinates with the resource planning of a public utility as required by the Public Utility Act; [~~and~~]

(5) the extent to which the project stimulates in-state economic development, including the creation of jobs and apprenticeships; and

(6) the speed of deployment of the project.

D. Grants shall be awarded on a competitive basis, and priority shall be given to proposals that use matching funds from non-state sources. The grant program shall seek to fund applicants [~~in each of the following categories~~] from:

(1) [~~an Indian nation, tribe or pueblo~~] Indian nations, tribes and pueblos;

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(2) [~~a rural community served by a rural electric cooperative~~] rural communities served by rural electric cooperatives;

(3) [~~a rural community served by an investor-owned public utility~~] rural communities served by investor-owned public utilities;

(4) [~~an urban or semi-urban municipality or county; and~~] urban or semi-urban municipalities and counties;

(5) [~~an institution of higher education~~] institutions of higher education; and

(6) school districts and charter schools.

E. Projects receiving a grant from the grid modernization grant program shall be required to [~~be coordinated~~] coordinate with the electric service provider that serves the entity in order to ensure that the program does not adversely impact electrical system efficiency, reliability, resilience and security. 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.

F. The department shall provide a report on the grid modernization grant program to the legislative finance committee prior to each regular legislative session. The report shall include:

(1) a list of grant recipients;

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(2) the amount and date of each grant;

(3) a description of each project funded; and

(4) a description of how each project contributes to grid modernization and demonstrates increased electric grid reliability, resilience and security; creates economic benefits; or pilots or demonstrates new technologies or new implementations of existing technologies.

G. For the purposes of this section:

(1) "department" means the energy, minerals and natural resources department; [~~and~~]

(2) "grid modernization" means improvements to electric distribution or transmission infrastructure, including related data analytics equipment, that are designed to accommodate or facilitate the integration of renewable electric generation resources or net-zero carbon resources with the electric distribution grid or to otherwise enhance electric distribution or transmission grid reliability, grid security, demand response capability, customer service or energy efficiency or conservation and includes:

(a) advanced metering infrastructure that facilitates metering and providing related price signals to users to incentivize shifting demand;

(b) intelligent grid devices for [~~real time~~] real-time system and asset information at key substations and large industrial customers;

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(c) automated control systems for electric distribution circuits and substations;

(d) communications networks for service meters;

(e) distribution system hardening projects for circuits and substations designed to reduce service outages or service restoration times;

(f) physical security measures at key distribution substations;

(g) cybersecurity measures;

(h) energy storage systems and microgrids that support circuit-level grid stability, power quality, reliability or resiliency or provide temporary backup energy supply;

(i) electrical facilities and infrastructure necessary to support electric vehicle charging systems;

(j) new customer information platforms designed to provide improved customer access, greater service options and expanded access to energy usage information; [~~and~~]

(k) [~~other new technologies that may be developed regarding the electric grid~~] construction of increased electric grid distribution capacity and transmission grid infrastructure, including substations and the purchase of high-capacity transmission lines, transformers and other

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electric grid equipment; and

(1) enabling the application of artificial intelligence to identify methane leaks and opportunities to reduce or eliminate methane leaks; and

(3) "net-zero carbon resource" means an electricity generation resource that emits no carbon dioxide into the atmosphere, or that reduces methane emitted into the atmosphere in an amount equal to no less than one-tenth of the tons of carbon dioxide emitted into the atmosphere, as a result of electricity production."

SFC→~~SECTION 2. APPROPRIATIONS.--~~

~~A. One hundred thousand dollars ($100,000) is appropriated from the grid modernization grant fund to the energy, minerals and natural resources department for expenditure in fiscal years 2025 and 2026 for administration costs incurred to carry out the provisions of Section 1 of this act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2026 shall revert to the grid modernization grant fund.~~

~~B. Two hundred thousand dollars ($200,000) is appropriated from the grid modernization grant fund to the public regulation commission for expenditure in fiscal years 2025 and 2026 for administration costs incurred to carry out the provisions of Section 1 of this act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2026~~

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~~shall revert to the grid modernization grant fund.~~ SFC

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