

HOUSE BILL 128

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

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE LOCAL SOLAR ACCESS
FUND IN THE NEW MEXICO FINANCE AUTHORITY; PROVIDING GRANTS FOR
SOLAR ENERGY SYSTEMS; REQUIRING THE NEW MEXICO FINANCE
AUTHORITY TO ESTABLISH RULES; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the New Mexico Finance
Authority Act is enacted to read:

"NEW MATERIAL] LOCAL SOLAR ACCESS FUND--CREATED--
APPLICATIONS AND GRANTS--CONTRACT PERFORMANCE AND PAYMENT
BONDS.--

A. As used in this section:

(1) "eligible entity" means a county, a
municipality, a school district, a land grant-merced controlled
and governed pursuant to Chapter 49, Article 1 NMSA 1978 or an
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1 Indian nation, tribe or pueblo located wholly or partially in
2 New Mexico; and

3 (2) "solar energy system" means the equipment
4 used to generate, convert, store, manage and monitor solar
5 energy for use as thermal energy or electricity and may
6 include:

7 (a) energy storage systems, including
8 batteries, that are capable of retaining, storing and
9 delivering electrical energy by chemical, thermal, mechanical
10 or other means; and

11 (b) interconnection equipment required
12 to safely interconnect the system with the electrical grid.

13 B. The "local solar access fund" is created in the
14 authority. The fund consists of appropriations, distributions,
15 transfers, income from investment of the fund, bequests, gifts,
16 grants, donations and any other money distributed or otherwise
17 allocated to the fund. Balances in the fund at the end of a
18 fiscal year shall not revert to the general fund. The fund
19 shall be administered by the authority as a separate account
20 and may consist of subaccounts as the authority deems necessary
21 to carry out the purposes of the fund.

22 C. Money in the fund is appropriated to the
23 authority to implement the provisions of this section,
24 including to:

25 (1) provide grants to eligible entities to

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1 plan, design, construct, purchase, install and equip solar
2 energy systems used to power buildings and infrastructure
3 located within New Mexico that are owned and operated by an
4 eligible entity, including necessary upgrades or repairs
5 required to install or connect solar energy systems;

6 (2) provide grants for technical assistance to
7 apply for federal or other funding to plan, design, construct,
8 purchase, install and equip solar energy systems; and

9 (3) pay the administrative costs incurred by
10 the authority in carrying out the provisions of this section.

11 D. Money in the fund that is not needed for
12 immediate disbursement may be deposited or invested in the same
13 manner as other funds administered by the authority.

14 E. By December 31, 2025, the authority shall
15 establish rules in consultation with the energy, minerals and
16 natural resources department to carry out the provisions of
17 this section, including:

18 (1) criteria for evaluating proposed solar
19 energy systems; and

20 (2) metrics to be used by the authority to
21 prioritize solar energy systems that shall include:

22 (a) an eligible entity's need for
23 authority funding to plan or complete a solar energy system;

24 (b) the percentage of low-income
25 households in the community served by that solar energy system;

1 (c) buildings and infrastructure that
2 are used to provide community services or emergency shelter;

3 (d) the requirement that the majority of
4 the funding shall be allocated to rural eligible entities as
5 determined by the authority;

6 (e) the projected long-term operating
7 cost reductions of the solar energy system;

8 (f) procedures to ensure maximum
9 geographic disbursement and diversity;

10 (g) appropriate caps on different types
11 of grants to ensure the fund's sustainability;

12 (h) pricing consistent with statewide
13 price agreements; and

14 (i) solar energy systems that support
15 workforce development, including by hiring local workers,
16 paying the prevailing wage or hiring workers participating in
17 apprenticeship programs that are registered pursuant to the
18 Apprenticeship Assistance Act.

19 F. Applications for grants shall be in a form
20 specified by the authority and shall include such information
21 as required by the authority, including:

22 (1) an estimate of the cost of the solar
23 energy system for which a grant is being sought;

24 (2) an estimate of the operating cost savings
25 expected to be achieved by the solar energy system; and

1 (3) a description of the benefits of the solar
2 energy system.

3 G. An eligible entity, except for an Indian nation,
4 tribe or pueblo, that is made a grant pursuant to this section
5 shall require a contractor of a project funded by the local
6 solar access fund to post a performance and payment bond as
7 described in Section 13-4-18 NMSA 1978."

8 SECTION 2. APPROPRIATION.--Sixty million dollars
9 (\$60,000,000) is appropriated from the general fund to the
10 energy, minerals and natural resources department for
11 expenditure in fiscal year 2026 and subsequent fiscal years for
12 the New Mexico finance authority to carry out the purposes of
13 the local solar access fund. Any unexpended or unencumbered
14 balance remaining at the end of a fiscal year shall not revert
15 to the general fund.

16 SECTION 3. CONTINGENT EFFECTIVE DATE.--The provisions of
17 this act become effective upon the enactment into law of an
18 appropriation for administrative costs of the New Mexico
19 finance authority in the General Appropriation Act of 2025.
20 The secretary of finance and administration shall notify the
21 New Mexico compilation commission and the director of the
22 legislative council service by July 1, 2025 that the
23 appropriation has been made.