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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".

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;

- 1 (3) state universities;  
2 (4) public schools;  
3 (5) post-secondary educational institutions;  
4 and  
5 (6) Indian nations, tribes and pueblos.

6 C. The department shall adopt rules establishing  
7 the application procedure, the required qualifications for  
8 projects and the purposes for which the grant may be used.

9 In approving grants, consideration shall be given to:

10 (1) the extent to which the project improves  
11 electrical system efficiency, reliability, resilience and  
12 security; lowers operations and maintenance costs; and meets  
13 energy demands through a flexible, diversified and  
14 distributed energy portfolio consistent with New Mexico's  
15 energy goals;

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

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

1 (4) the extent to which the project  
2 complements or coordinates with the resource planning of a  
3 public utility as required by the Public Utility Act;

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

7 (6) the speed of deployment of the project.

8 D. Grants shall be awarded on a competitive basis,  
9 and priority shall be given to proposals that use matching  
10 funds from non-state sources. The grant program shall seek  
11 to fund applicants from:

12 (1) Indian nations, tribes and pueblos;

13 (2) rural communities served by rural  
14 electric cooperatives;

15 (3) rural communities served by  
16 investor-owned public utilities;

17 (4) urban or semi-urban municipalities and  
18 counties;

19 (5) institutions of higher education; and

20 (6) school districts and charter schools.

21 E. Projects receiving a grant from the grid  
22 modernization grant program shall be required to coordinate  
23 with the electric service provider that serves the entity in  
24 order to ensure that the program does not adversely impact  
25 electrical system efficiency, reliability, resilience and

1 security. If no electric service connection exists at the  
2 location of a proposed project, notice of the project shall  
3 be given to the electric service provider in whose territory  
4 the project is proposed to be located.

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

- 9 (1) a list of grant recipients;
- 10 (2) the amount and date of each grant;
- 11 (3) a description of each project funded;

12 and

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

18 G. For the purposes of this section:

19 (1) "department" means the energy, minerals  
20 and natural resources department;

21 (2) "grid modernization" means improvements  
22 to electric distribution or transmission infrastructure,  
23 including related data analytics equipment, that are designed  
24 to accommodate or facilitate the integration of renewable  
25 electric generation resources or net-zero carbon resources

1 with the electric distribution grid or to otherwise enhance  
2 electric distribution or transmission grid reliability, grid  
3 security, demand response capability, customer service or  
4 energy efficiency or conservation and includes:

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

8 (b) intelligent grid devices for  
9 real-time system and asset information at key substations and  
10 large industrial customers;

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

13 (d) communications networks for service  
14 meters;

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

18 (f) physical security measures at key  
19 distribution substations;

20 (g) cybersecurity measures;

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

25 (i) electrical facilities and

1 infrastructure necessary to support electric vehicle charging  
2 systems;

3 (j) new customer information platforms  
4 designed to provide improved customer access, greater service  
5 options and expanded access to energy usage information;

6 (k) construction of increased  
7 electric grid distribution capacity and transmission grid  
8 infrastructure, including substations and the purchase of  
9 high-capacity transmission lines, transformers and other  
10 electric grid equipment; and

11 (l) enabling the application of  
12 artificial intelligence to identify methane leaks and  
13 opportunities to reduce or eliminate methane leaks; and

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

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