

An Overview of State Policy & Tribal Energy Development

Indian Affairs Committee

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SOVEREIGN
ENERGY



MAYANE CHAVEZ BARUDIN
(KEWA PUEBLO)
EXECUTIVE DIRECTOR



MARISSA NARANJO
(SANTA CLARA PUEBLO)
DEPUTY DIRECTOR

OUR MISSION

Sovereign Energy builds the individual and collective power of Southwest Pueblos and Tribes to lead the way toward a just, interdependent, and sustainable energy future.

OUR VISION

Tribal energy sovereignty and Indigenous voices centered within the renewable energy transition to remedy legacies of injustice and the rights of Indigenous peoples.

Our History

SOVEREIGN
ENERGY

- Historically there has been a lack of capacity, staffing, and resources for Tribes to achieve their clean energy visions
- Tribes in different places in themes of renewable energy development
- Solar companies wanting to develop on Tribal land following the passage of New Mexico's Community Solar Act
 - Themes:
 - Lack of transparency
 - Taking advantage of Tribes' sovereign status
- Creating further policy mechanisms and eliminating regulatory barriers to support Tribal energy sovereignty
- Upholding tribal sovereignty and cultural resource protection in the rise of renewable energy infrastructural development



Sovereign Energy Values

1

**TRIBAL SOVEREIGNTY &
SELF DETERMINATION**

4

**PARTNERSHIPS &
INTERCONNECTEDNESS**

2

ENERGY AS AN ACT OF REPAIR

5

KINSHIP & BEING A GOOD RELATIVE

3

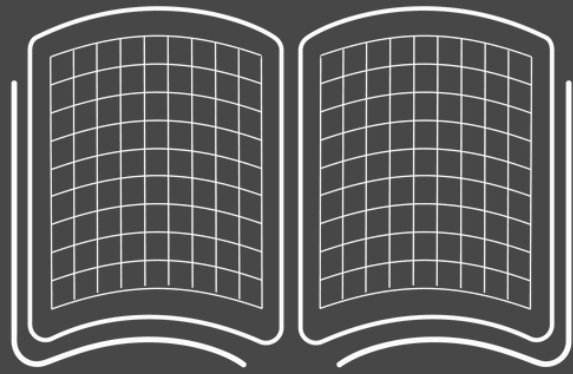
TRIBES AS CLIMATE LEADERS

6

**ADVANCEMENT THROUGH
EDUCATION**



Sovereign Energy Pillars



**RENEWABLE
ENERGY
EDUCATION**



**TRIBAL
CAPACITY
BUILDING**



**POLICY &
REGULATORY
ADVOCACY**



**CULTURAL
RESOURCE
PROTECTION**



Sovereign Energy Scope of Services

TRIBAL CAPACITY BUILDING

- Project Development Support
- Securing Funding Opportunities

POLICY & REGULATORY ADVOCACY

- Monthly Tribal Energy and Environment Forum
- Federal Undertaking Support

RENEWABLE ENERGY EDUCATION

- Emerging Renewable Energy Technologies

CULTURAL RESOURCE PROTECTION

- Traditional Cultural Landscape and Resource Preservation Support
- NHPA Section 106 Support

WHAT IS ENERGY SOVEREIGNTY?

Tribal energy sovereignty is the inherent right of Tribal Nations to steward, govern, manage, and advocate for energy development according to the Tribes' unique core values, responsibilities, and knowledge. Energy sovereignty implies the social, cultural, and economic health and well-being of present and future generations.

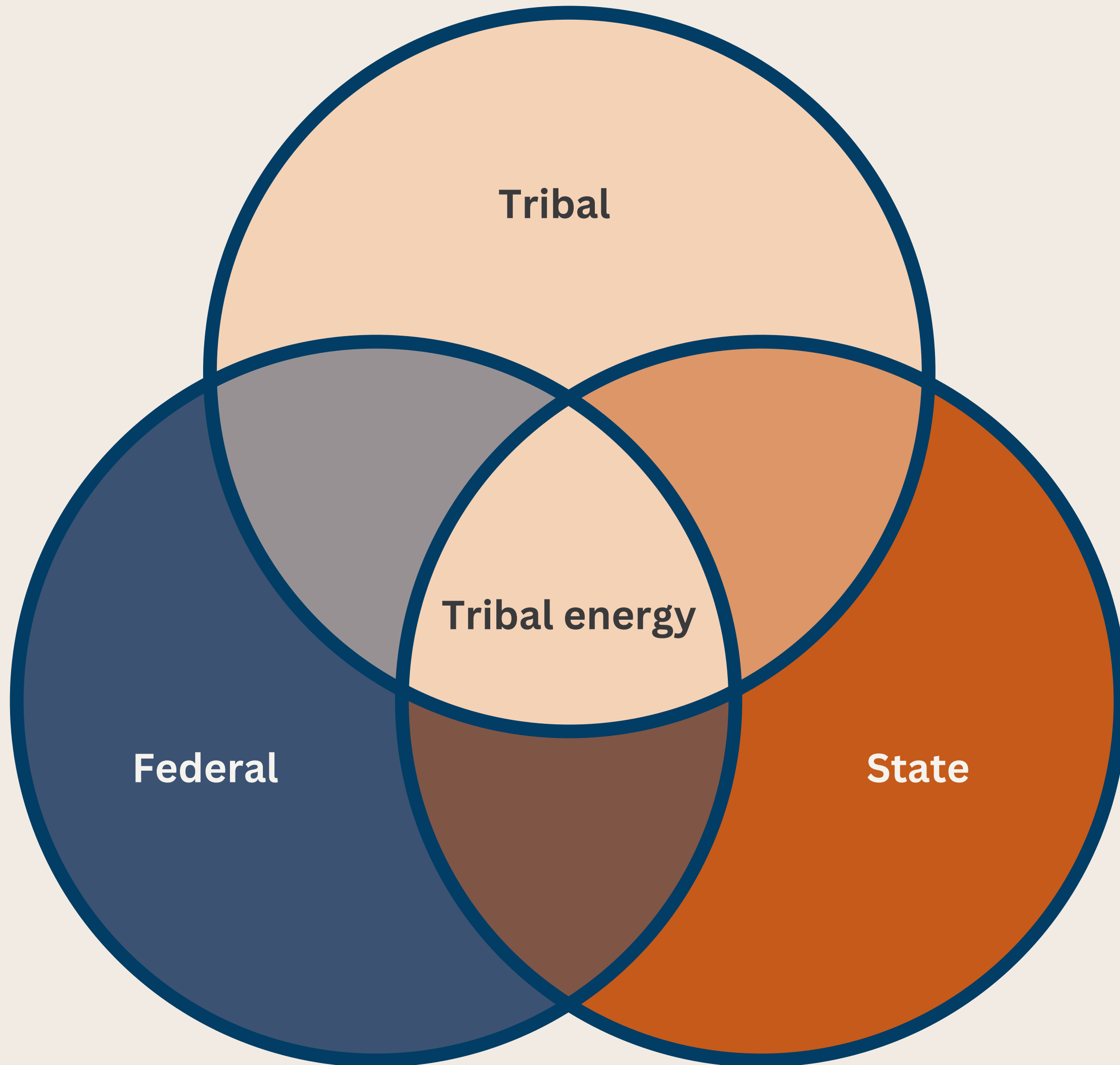
Control over energy resources

Tribal energy solutions

Sustainability

Economic and social benefits

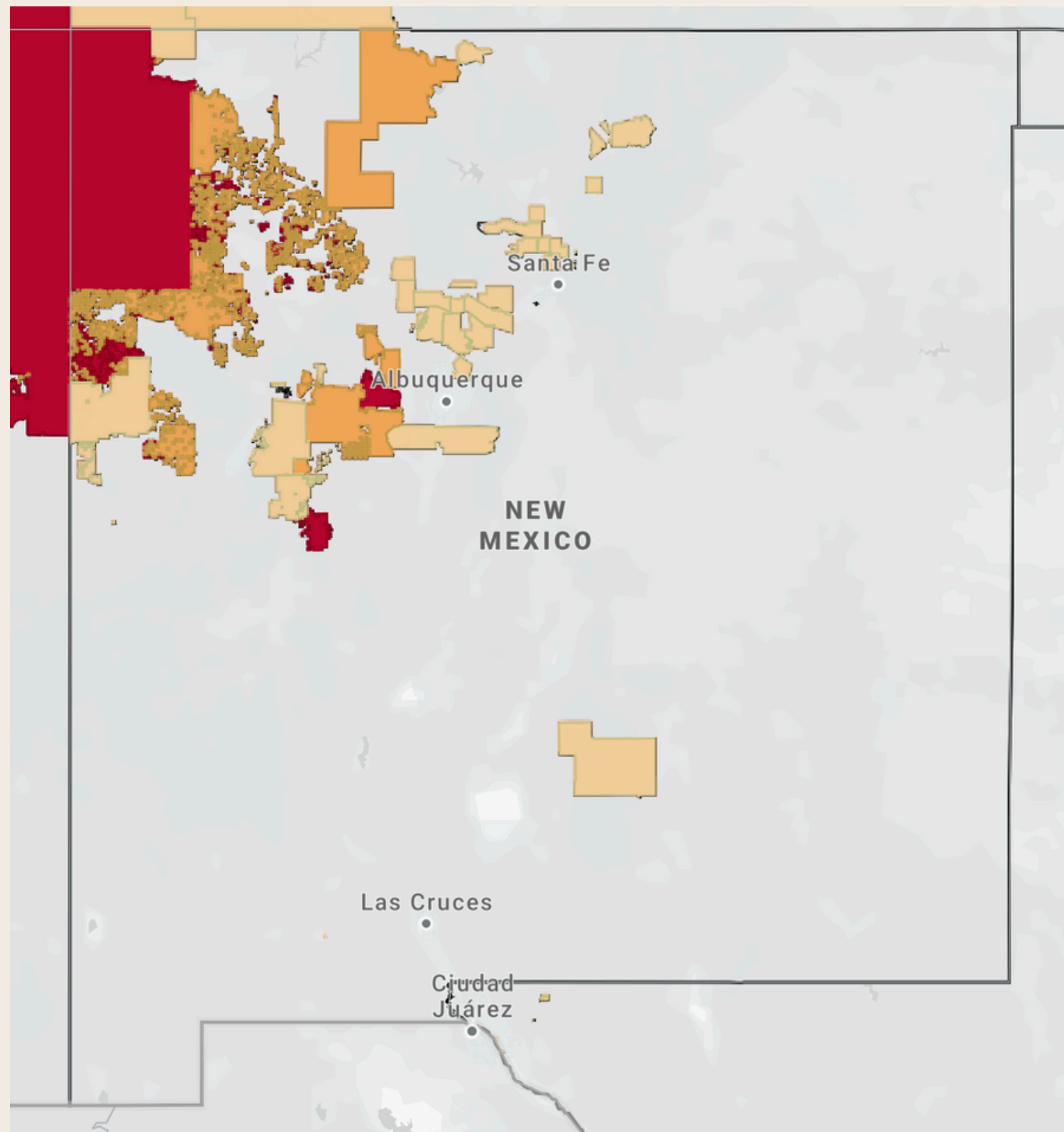
Cultural and political autonomy



Jurisdictional Level	Party	Role
Tribal	Tribal Government	Develops and enforces all Tribal codes, regulations, and policies on Tribal lands.
Investor Owned Utility	PNM, EPE, Xcel	Develops and implements processes such as interconnection procedures and net metering according to New Mexico Public Regulation Commission guidelines.
Rural Electric Cooperative	Continental Divide Electric Cooperative, Jemez Mountains Electric Cooperative; Kit Carson Electric Cooperative; Northern Rio Arriba Electric Cooperative, Otero County Electric Cooperative, Inc.	Distribution cooperatives rely on electricity delivered by generation and transmission (G&T) providers. Many G&T providers, like Tri-State, limit the amount of self-generation that rural co-ops can pursue.
Local	County, City	Develops and enforces building codes, including electrical codes, within their jurisdictions.
State	New Mexico Public Regulation Commission	Regulates programs, rates, rules, policies, and services of most electric utilities in the state.
Regional	Regional Transmission Organizations/Independent System Operators	Manages the transmission grid, oversees markets, and coordinates electricity flow across regions. These entities have their own governing structures and jurisdictions over participating utilities, ultimately regulated by FERC.
Federal	Federal Energy Regulatory Commission	Regulates the transmission and wholesale of electricity and natural gas in interstate commerce and oversees the interconnection process to the bulk (interstate) power system.

Key State Policies in New Mexico

- Community Solar Act
- Energy Transition Act
- New Mexico Match Fund
- Climate Investment Center
- Other:
 - New Mexico Public Regulation Commission Tribal Advisory Council



Tribal lands possess immense renewable energy potential that could significantly contribute to meeting the state's renewable energy goals.

New Mexico's Community Solar Act



In 2021, New Mexico enacted the Community Solar Act, establishing a statewide community solar program.

The Act upholds Tribal sovereignty by including provisions for 'Native Community Solar Projects,' ensuring that state jurisdiction does not apply on sovereign Tribal lands.

While this creates significant economic opportunities for Tribes, the extent to which they can benefit from community solar development varies, depending on whether they are served by PNM or rural electric cooperatives.

Community Solar



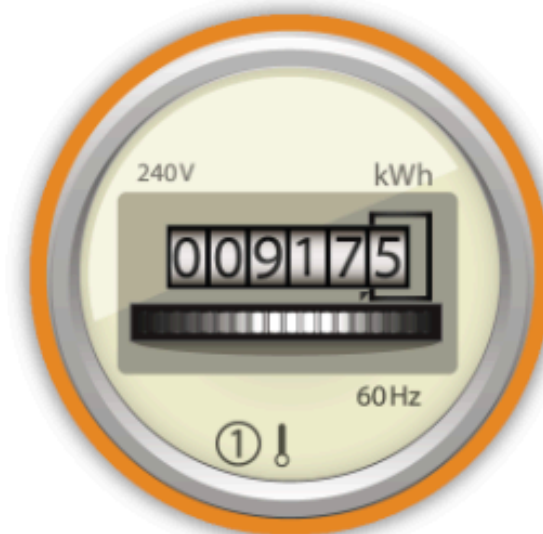
STEP 1

A community solar project generates clean, solar energy



STEP 2

Tribal government buildings, businesses, schools, and residences sign up to receive the energy from a shared community solar array through a subscription.



STEP 3

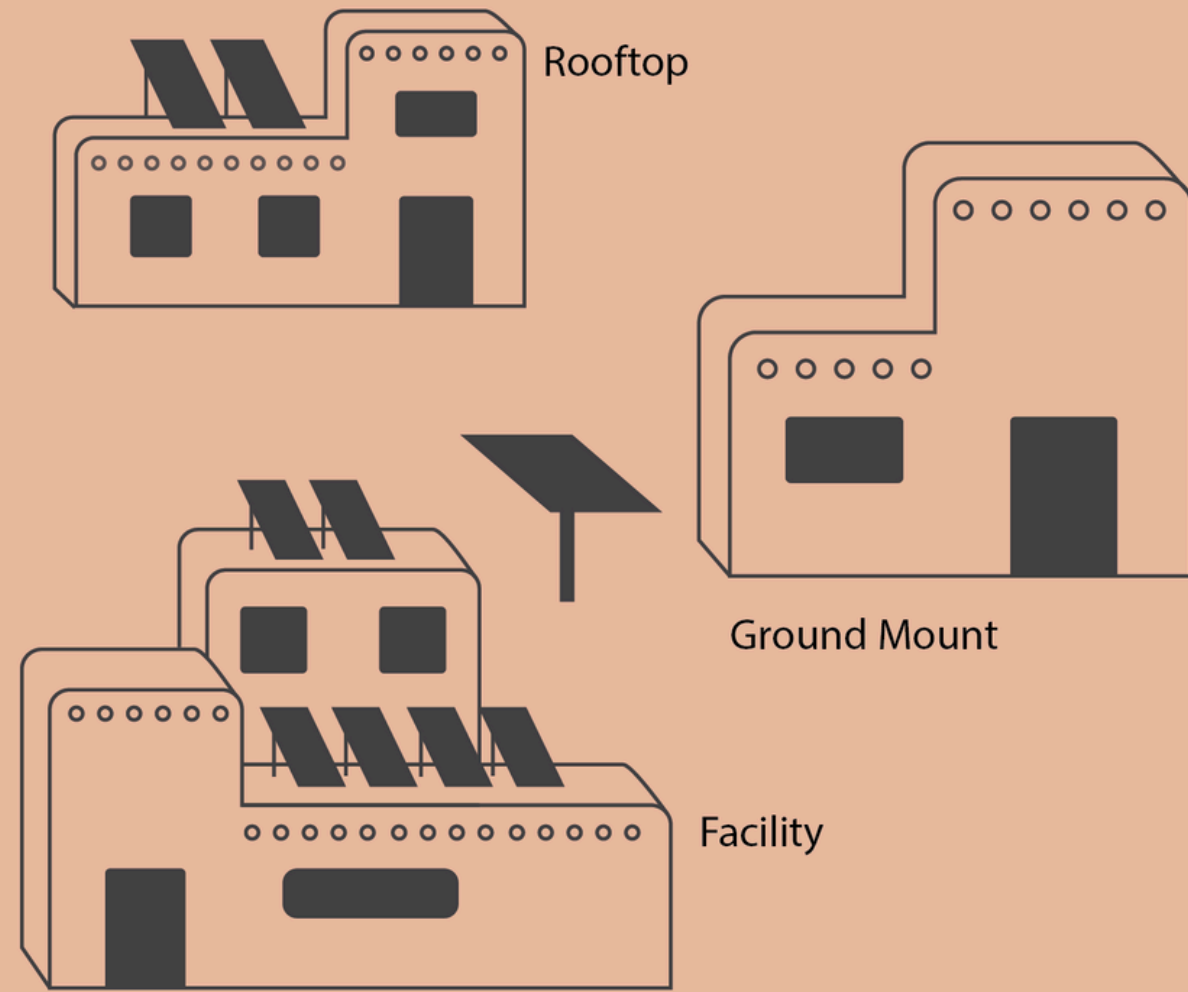
Community solar subscribers receive a credit on their bill based on the amount of energy produced by their community solar panels.



STEP 4

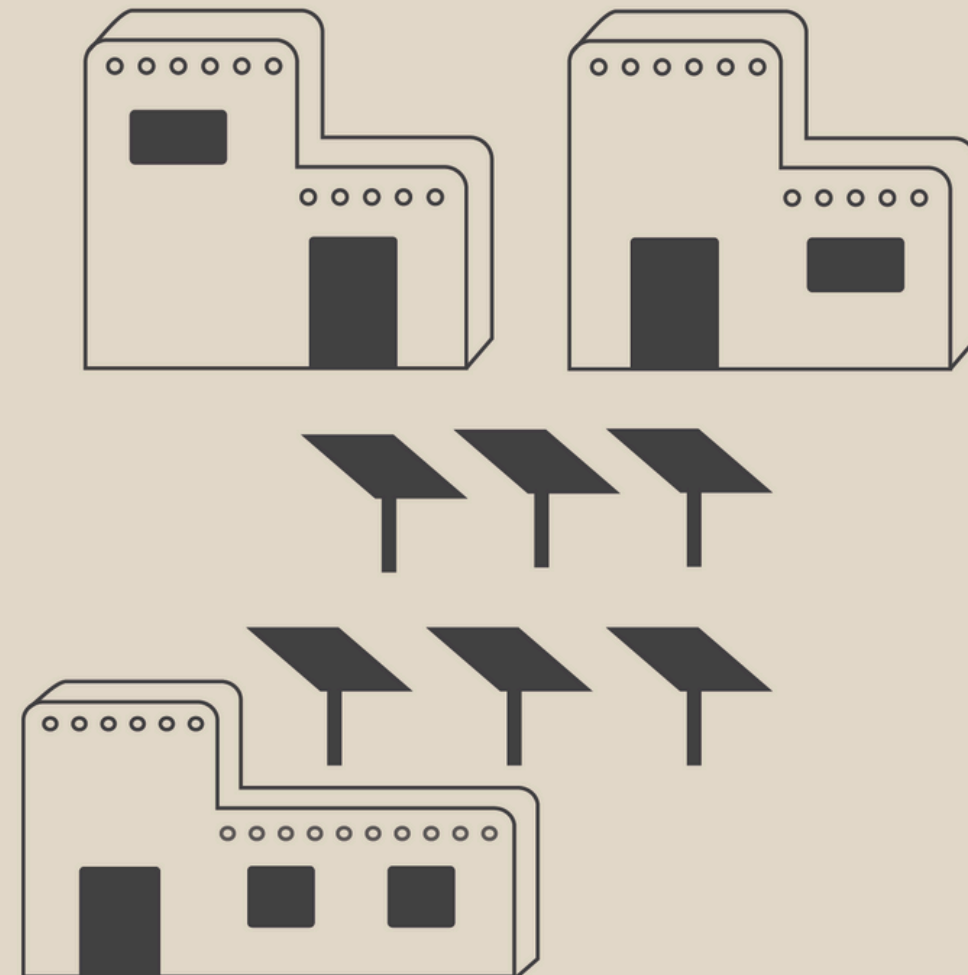
Signing up for community solar provides tangible economic benefits and savings on your utility bill.

Scale of a Solar Project



Distributed

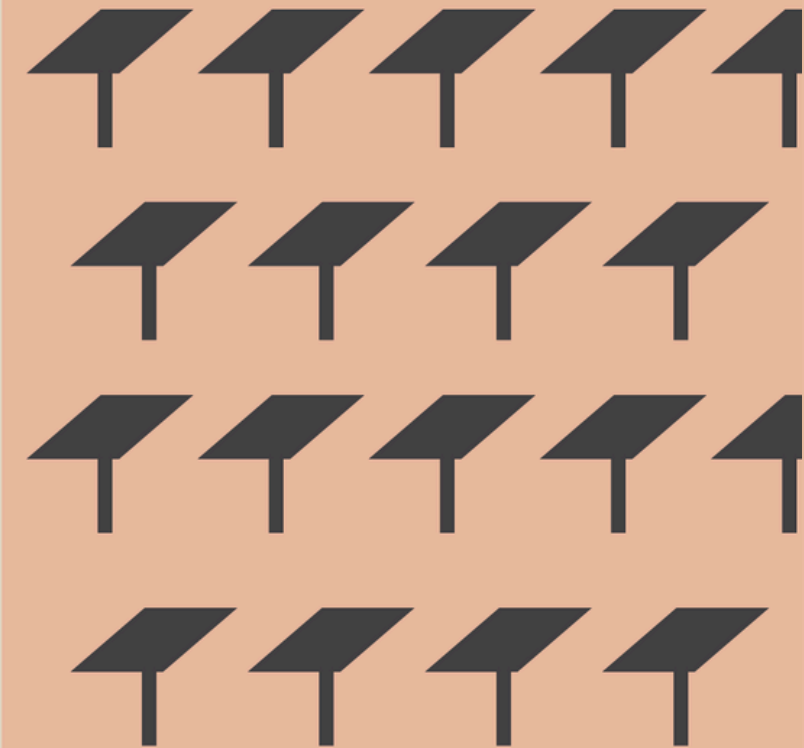
<2MW



Community

~500kW

20MW



Utility

> 20MW

Tribal Renewable Energy Development

- Economic development & diversification
- Offset electricity costs for Tribal buildings & residences
- Provide new job skills for community members in the area of solar installation, maintenance, and repair
- Energy self-sufficiency & reliability
- Grid resiliency
- Energy sovereignty & independence
- Reduce and mitigate climate change risk to preserve the climate and sustain cultural practices
- Water preservation



Type of Solar Projects

The type of a solar project a Tribe chooses to pursue will depend on many factors including (but not limited to):

- Goals of the project
- Project economics
- Land or rooftop availability and jurisdiction
- Utility regulations (including net metering and interconnection rules)
- Available infrastructure (such as transmission or distribution lines and available capacity)
- The Tribe's desired role in the project, which can range from leasing the land to being the developer, owner, and/or operator

Direct Pay & Tax Incentives

With the Inflation Reduction Act’s “elective pay” (often called “direct pay”) provisions, tax-exempt and governmental entities will, for the first time, be able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects.



Summary of Investment Tax Credit (ITC) and Production Tax Credit (PTC) Values Over Time

a “Applicable year” is defined as the later of (i) 2032 or (ii) the year the Treasury Secretary determines that there has been a 25% or more reduction in annual greenhouse gas emissions from the production of electricity in the United States as compared to the calendar year 2022.

b “Labor requirements” entail certain prevailing wage and apprenticeship conditions being met.

			Start of Construction						
			2006 to 2019	2020 to 2021	2022	2023 to 2033	The later of 2034 (or two years after applicable year ^a)	The later of 2035 (or three years after applicable year ^a)	The later of 2036 (or four years after applicable year ^a)
ITC	Full rate (if project meets labor requirements ^b)	Base Credit	30%	26%	30%	30%	22.5%	15%	0%
		Domestic Content Bonus				10%	7.5%	5%	0%
		Energy Community Bonus				10%	7.5%	5%	0%
	Base rate (if project does not meet labor requirements ^b)	Base Credit	30%	26%	6%	6%	4.5%	3%	0%
		Domestic Content Bonus				2%	1.5%	1%	0%
		Energy Community Bonus				2%	1.5%	1%	0%
	Low-income bonus (1.8 GW/yr cap)	<5 MW projects in LMI communities or Indian land				10%	10%	10%	10%
		Qualified low-income residential building project / Qualified low-income economic benefit project				20%	20%	20%	20%
	PTC for 10 years (\$2022)	Full rate (if project meets labor requirements ^b)	Base Credit			2.6 ¢	2.6 ¢	2.0 ¢	1.3 ¢
Domestic Content Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Energy Community Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Base rate (if project does not meet labor requirements ^b)		Base Credit			0.5 ¢	0.5 ¢	0.4 ¢	0.3 ¢	0.0 ¢
		Domestic Content Bonus				0.1 ¢	0.0 ¢	0.0 ¢	0.0 ¢
		Energy Community Bonus				0.1 ¢	0.0 ¢	0.1 ¢	0.0 ¢

Challenges

- Considerations for Project Economics
- Assessing Internal Staff Capacity
- Tribal Leadership Engagement
- Community Support from the Tribal Community
- Access to funding and technical expertise
- Infrastructure limitations on Tribal lands
- Evaluating Companies and Developers

Regulatory Barriers

Overcoming Regulatory Barriers, such as navigating state and Tribal jurisdiction:

- Tribes served by multiple utilities or rural electric co-ops with limited self-generation capacity
- Tribes served by utilities without net-metering policies or with net-metering restrictions
- Meeting Distributed Generation Interconnection Requirements

Opportunities for Collaboration



1. Collaborative projects aligned with state policies
 - a. Tribal projects that support NM economic diversification
2. Inclusion of Tribal Voices in State Policy Discussions
3. Supporting State Policies that Promote Tribal Energy Projects
 - a. Robust net metering policies
 - b. Support distributed generation, enabling Tribes to generate energy locally through systems like solar panels, small wind turbines, and microgrids
 - c. Support infrastructure that increases access for remote Tribal communities
 - d. Support workforce development and apprenticeship programs

New Mexico Solar for All



The Solar for All program in New Mexico is designed to expand solar access through multiple initiatives, including:

- Funding for Rooftop Solar
- Support for Community Solar Projects
- Solar Solutions for Off-Grid Areas
- Home Improvements for Solar Compatibility
- Collaboration with the New Mexico Public Regulation Commission (PRC): Partnering with the PRC to fund upgrades to local utility grid infrastructure, ensuring secure and efficient integration of solar energy into the power grid.

THANK YOU

Contact information:

Mayane Chavez Barudin | Executive Director

mayane@sovereignenergy.org

505-917-1984

Marissa Naranjo | Deputy Director

marissa@sovereignenergy.org

505-699-6703