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# FISCAL IMPACT REPORT

SPONSOR:	McSorley	DATE TYPED:	02/01/02	НВ	
SHORT TITLE	: Nonprofit Alternate I	Energy Project		SB	410
			ANALY	YST:	Trujillo

#### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$150.0			Non-recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in The General Appropriation Act

# **SOURCES OF INFORMATION**

LFC Files

Responses Received From:

Energy, Minerals and Natural Resources Department (EMNRD)

## **SUMMARY**

# Synopsis of Bill

Senate Bill 410 appropriates \$150.0 from the general fund to EMNRD to contract for services with a statewide energy and utility advocacy organization to assist in the provision of sustainable energy to low-income communities and families in locations currently not connected to regular energy and utility services.

# Significant Issues

EMNRD reports there are at least 4,500 households in New Mexico that are not connected to the electric utility grid. Many of these same households are also likely without natural gas service. The specified appropriation would greatly assist in identifying, analyzing and implementing promising mechanisms for providing these households with sustainable energy from such sources as the sun and wind. Provision of sustainable energy to low-income communities and families would, in turn,

## Senate Bill 410 -- Page 2

enhance their health, comfort and quality of life. An existing organization known as the New Mexico Sustainable Energy Collaborative (NMSEC) is already active in this area and could possibly serve as the entity rendering the assistance envisioned in the bill.

#### FISCAL IMPLICATIONS

The appropriation of \$150.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

## ADMINISTRATIVE IMPLICATIONS

EMNRD reports it is already facilitating the activities of the NMSEC.

## **TECHNICAL ISSUES**

EMNRD reports the term "services" on line 19 is not defined. It is therefore unclear whether the appropriation could be used for establishment of a revolving loan fund for the purchase of sustainable energy equipment; for creation of a program for lease or lease-purchase of sustainable energy equipment; or for similar initiatives that may not traditionally be considered "services." Such mechanisms have significant potential to facilitate the provision of sustainable energy to the targeted population. The term "sustainable energy" on line 21 also is not defined, but is generally construed to include energy produced from solar, wind, geothermal, and biomass resources.

LT/prr