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FISCAL IMPACT REPORT

| SPONSOR: | Rawson | DATE TYPED: | 2/12/02 | НВ | |
|-------------|-----------------------|-------------|---------|-------------|-------------|
| SHORT TITLE | : Review Building Ene | ergy Codes | | SB | SJM 18/aSRC |
| | ANALYST: | | YST: | J. Sandoval | |

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|-------------------------|------------------|
| FY02 | FY03 | FY02 | FY03 | | |
| | NFI | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Energy, Minerals and Natural Resources

No Response

Regulation and Licensing Department

SUMMARY

Synopsis of SRC Amendment

Senate Joint Memorial 18/a SRC brings attention to older homes and downsizing of mechanical equipment, but does not change the original purpose.

Synopsis of Original Bill

Senate Joint Memorial 18 requests that the Construction Industries Commission review its residential and commercial building energy codes in an effort to update and improve the energy efficiency of New Mexicans' homes and commercial buildings. The Energy, Minerals and Natural Resources Department (EMNRD) and the Construction Industries Division of the Regulation and Licensing Department are directed to work cooperatively with the Commission to improve the energy codes.

FISCAL IMPLICATIONS

None reported.

ADMINISTRATIVE IMPLICATIONS

Currently, EMNRD's Energy Conservation and Management Division (ECMD) provides assistance to homebuilders and contractors to meet the requirements of the 1986 and 1992 New Mexico model energy codes. This assistance will shift to helping with newer energy codes, if adopted.

OTHER SUBSTANTIVE ISSUES

- A Western Governors' Association resolution, entitled "Western States' Energy Policy Roadmap" (August 2001), encourages western states to review and improve the energy efficiency of their building codes. New Mexico's Commercial Energy Code is over 15 years old and the Residential Code is over 10 years old.
- EMNRD-ECMD receives grants from the U.S. Department of Energy to help the state implement and train contractors and homebuilders on compliance with new energy codes.
- The lowest cost and easiest opportunity to improve the energy efficiency of a home is during construction. The benefits are realized over the life of a home, which may be more than 30 years.
- Energy efficiency opportunities are very cost-effective and usually pay for themselves in less than 5 years. These measures pay for themselves much quicker if energy prices double or triple as they did with natural gas last winter.
- New Mexico citizens will have more disposable income if they have energy-efficient homes.

POSSIBLE QUESTIONS

- 1. What are the New Mexico model energy codes?
- 2. Is this an increased cost to New Mexico residents and if so by how much?

JFS/njw