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FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 2/6/04 HB 351

SHORT TITLE Hydrogen Technology Partnership SB _____

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1,100.0		Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to and may conflict with an executive \$5,000.0 capital outlay appropriation to Energy, Minerals and Natural Resources Department for hydrogen activities and projects.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals, and Natural Resources Department (EMNRD)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 351 appropriates \$1,100.0 from the general fund to EDD for expenditure in FY06 to support the hydrogen technology partnership (HyTeP).

Significant Issues

According to EMNRD, New Mexico has many years of research and development experience in hydrogen and fuel cell technology and stands ready to capitalize on that history to create new, high-value jobs, attract more investment capital and generate new revenue streams in the state. The appropriation is intended to support the efforts of HyTeP, a public-private organization consisting of state government, national laboratories, universities, nonprofits and private businesses

that are spearheading activities to ensure New Mexico becomes a leader in hydrogen and fuel cell technology.

PERFORMANCE IMPLICATIONS

Funding for hydrogen-related activities helps EMNRD meet its goals in the EMNRD Energy Conservation and Management Division's Strategic Plan relating to renewable energy and clean-burning alternative transportation fuels.

FISCAL IMPLICATIONS

The appropriation of \$1,100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

According to EMNRD, this bill relates to, and may conflict with, a prospective \$5,000.0 Capital Outlay appropriation to EMNRD for hydrogen activities and projects, included in the executive capital outlay budget.

TECHNICAL ISSUES

The purpose of the appropriation is "...to support the hydrogen technology partnership." EMNRD indicates EDD, the recipient of the appropriation, should not provide the funds directly to HyTeP and that a competitive process for awarding funds, in compliance with the New Mexico Procurement Code, is required. This bill should not name HyTeP but, instead, should describe the specific activities EDD is intended to fund with this appropriation.

OTHER SUBSTANTIVE ISSUES

HyTeP is an alliance representing industry, business, research laboratories, universities, and government, working together to enhance the economic development of New Mexico and the nation through a cooperative focus on hydrogen and fuel cell research, development, demonstration, and commercialization. By building on the world-leading hydrogen and fuel cell R&D performed at the state's national laboratories for more than 25 years, HyTeP aims to create a cluster of research, engineering, development, service, manufacturing, and business organizations that will make New Mexico the worldwide center for hydrogen and fuel cell development. The members of HyTeP seek to reduce barriers to cooperation, to promote investment, to ensure continued funding and support for research currently underway at New Mexico's research institutions, and to support the creation of a Fuel Cell National Resource Center at Los Alamos.

ALTERNATIVES

Amend the bill so the appropriation is made to EMNRD for hydrogen activities and projects that enhance economic development in New Mexico.

JR/njw