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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/2007

SPONSOR Stewart LAST UPDATED _____ HB 677

SHORT TITLE Solar energy System Installation Training SB _____

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$100.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Environment (DOE)

Energy, Mineral and Natural Resources Department (EMNRD)

Did not Respond

Construction Industries Division of the Regulation and Licensing Department

SUMMARY

Synopsis of Bill

House Bill 677 appropriates \$100,000 from the general fund to the Construction Industries Division of the Regulation and Licensing Department for the purpose of training New Mexico residents to install solar energy systems in compliance with the quality standards of the state.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

EMNRD states that the appropriation of \$100,000 to the Regulations and Licensing Department (RLD) would enable the Construction and Industries Division (CID) to coordinate training and education, either by a contractor or in-house, on solar installation standards for one year.

SIGNIFICANT ISSUES

According to EMNRD, training on residential-scale solar energy system installation is needed for contractors, inspectors, and code officials. These key professional groups are becoming increasingly involved in the design, construction, permitting, and approval of New Mexico's solar systems. Due to new incentives for renewable energy being established in New Mexico and the U.S. in recent years, there has been an increase in solar deployment. Modest growth trends in solar installation are expected to continue for many years.

PERFORMANCE IMPLICATIONS

NMED's Air Quality Bureau has a legislative performance measure to improve visibility in the state. HB 677 will promote energy generation that does not affect visibility. Traditional energy generation from coal-fired power plants and natural gas results in air pollution emissions that reduce visibility.

ADMINISTRATIVE IMPLICATIONS

EMNRD may be called upon to assist CID with implementing the solar installation training proposed by HB 677. EMNRD and CID have collaborated recently on solar photovoltaic code training workshops. EMNRD is willing to support the CID effort by recommending workshop instructors, contacting the solar industry, and recommending workshop locations. However, the expanding workload for EMNRD in clean energy would make it difficult for EMNRD to support the effort further, unless additional staff and resources are identified for this purpose.

OTHER SUBSTANTIVE ISSUES

EMNRD lists the following issues in their analysis:

To ensure health and safety are protected as the rate of solar deployment increases, EMNRD recommends that code training be conducted for solar thermal and solar photovoltaic systems. EMNRD supports the designation of CID as the lead agency for this purpose. In addition, EMNRD recommends that CID simultaneously convene technical subcommittees in each of the plumbing and electrical trade areas to address solar thermal and solar photovoltaic code issues, respectively.

For quality assurance, the owners of all solar systems should be required to obtain a permit and a final written inspection approval from their local building code authority. Solar thermal systems should be installed by licensed plumbing or mechanical contractors, while solar photovoltaic systems should be installed by licensed electrical contractors. This is required for taxpayers participating in New Mexico's solar market development tax credit program.

BS/mt