

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Lujan, B. LAST UPDATED _____ HB 146

SHORT TITLE Solar Energy Research Park and Academy SB _____

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$9,000.0		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 146 appropriates \$9,000.0 from the general fund to the Board of Regents of the Northern New Mexico State School to establish Solar Energy Research Park and Academy.

FISCAL IMPLICATIONS

The appropriation of \$9,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

This request for funding was submitted by Northern New Mexico College to the New Mexico Higher Education Department (NMHED) but is not included in NMHED's funding recommendation for FY09.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "breach" of the Higher Education Formula. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

SIGNIFICANT ISSUES

- According to HED, New Mexico's combination of ideal weather and entrepreneurial spirit make it a potential epicenter for renewable energy in the twenty-first century. The state experiences more than 340 days of sunshine per year, and in the eastern region, sustained winds are the norm, making New Mexico an ideal location for solar and wind energy research.
- The New Mexico Economic Development Department (NMEDD) indicates that for more than 25 years, New Mexico has excelled in hydrogen and fuel cell research and development. The NMEDD sponsored the creation of the Hydrogen Technology Partnership, which is now managed by the Regional Development Corporation. It's an alliance of industry, academia, and government leaders which envisions a New Mexico that uses its research and resources to reduce the nation's dependency on imported oil.
- The NMEDD further states that research in renewable energy is thriving in New Mexico. In 2004, the state received \$40.4 million from the U.S. Department of Energy Office of Energy Efficiency and Renewable Energy for a variety of state and federal programs relating to renewable energy development.
- In June 2006, Sen. Jeff Bingaman announced that the New Mexico State University (NMSU) was awarded an \$875,000 grant from the U.S. Department of Energy (DOE) for solar energy research and development at the university. Funds benefited NMSU's Southwest Region Experiment Station (SWRES), which provides critical support to the DOE National Center for Photovoltaic.

Universities throughout New Mexico are also currently engaged in renewable energy research, including solar energy research:

University of New Mexico, Albuquerque researchers are trying to find a way to eliminate the need for precious metals in fuel cells, thus reducing their cost. They are also investigating ways to make large-scale hydrogen generation more effective.

New Mexico Institute of Mining and Technology, Socorro, is an engineering university where researchers are focusing on fuel cells and technology related to clean coal production.

San Juan College, Farmington is preparing young New Mexicans for the future by offering its unique renewable energy degree and certificate. Half the programs students already have at least a bachelor's degree before they begin, and 25 students are enrolled in the program at any given time.

- According to EMNRD, there is a current need in the New Mexico solar industry for qualified plumbers and mechanical technicians with solar expertise. This is a growing industry that requires that programs focus on technology transfer, commercialization, and training activities.
- The solar energy research facility at Northern New Mexico Community College (NNMCC) in Española would support solar energy development in New Mexico. Taking into account solar industry needs, EMNRD recommends that the new facility include programs that emphasize technology transfer and commercialization of solar systems, and training of technicians to install and service them. EMNRD further encourages NNMCC to emphasize solar thermal heating and cooling technologies through its programs.