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FISCAL IMPACT REPORT

SPONSOR Wirth ORIGINAL DATE 02/01/14
LAST UPDATED _____ HB _____

SHORT TITLE Santa Fe CC Smart & Micro Grid Program SB 180

ANALYST Chavez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Santa Fe Community College (SFCC)

SUMMARY

Synopsis of Bill

Senate Bill 180 appropriates \$250 thousand from the general fund to the Higher Education Department (HED) to fund Santa Fe Community College (SFCC) for the purpose of designing and developing a smart grid workforce training program and a microgrid innovation laboratory, research park and testing center.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

HED notes that this request was submitted by SFCC to the department for review and not included in HED's request or the Executive budget recommendation. SFCC notes that the appropriation included in this bill is for phase 2 of the project and would supplement financial commitments already in place from its members. Additional funding for phase three would be raised from federal and private sources.

SIGNIFICANT ISSUES

The Microgrid Systems Laboratory (MSL) is a new initiative with a mission to accelerate the deployment of microgrid systems worldwide. Microgrids are community-scaled smart energy networks, and enable infrastructure for smart grid and other advanced energy technologies, including deployments in the developing world as well as retrofitting existing grids in the industrial world for improved performance and to meet economic, security, and environmental goals. The Lab consists of three elements: the Microgrid Innovation Consortium operated by the Santa Fe Innovation Park; the Global Microgrid Center, a testing and certification facility, and a Workforce Training and Professional Development Program operated by SFCC.

The initiative was endorsed by the New Mexico Federal Congressional Delegation and the Energy Task Force of the Santa Fe Regional Planning Authority. The city and county of Santa Fe have also passed resolutions in support. Seed funding was provided by Los Alamos National Laboratories (LANL) and the MSL has a large current membership including the National Renewable Energy Laboratory (NREL), LANL, Sandia National Laboratories, and others, which have committed to contributions valued at \$300 thousand. MSL is now working to raise the balance of \$500 thousand in planning and engineering stage funds to leverage the requested general fund appropriation. From there an estimated \$50 to \$100 million in implementation funds would be sought through a federal private/public partnership.

The appropriation contained in this bill would fund the SFCC workforce and training program. SFCC estimates that the MSL would create approximately 180 indirect and 92 direct new jobs over the next five years through the laboratory and training program.

PERFORMANCE IMPLICATIONS

HED recommends performance measures be established for SFCC if SB 180 is funded.

TECHNICAL ISSUES

SFCC notes that their funding request is a nonrecurring request; however, language in the bill indicates that this is a recurring fund. If it is meant to be a one-time appropriation, language should be amended accordingly.

OTHER SUBSTANTIVE ISSUES

The appropriation in this bill is allocated to SFCC; however, only \$50 thousand of the planned funds are directed towards the Workforce Training and Professional Development Program, which is the part of the MSL run by SFCC. The other components of MSL are run by other entities. It is unclear how the other \$200 thousand of the appropriation would be allocated.

KC/ds