



## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: HB 327 amends the Rural Electric Cooperative Act and the Renewable Energy Act to include electricity generated by combined cycle natural gas turbines as “renewable energy.”

### **FISCAL IMPLICATIONS**

### **SIGNIFICANT ISSUES**

If enacted, HB 327 would change the renewable initiatives present in the two amended acts. The current definitions of renewable energy only include methods that do not emit carbon dioxide, and this definition change would affect the intent of the current legislation and impact renewable energy certificates and the methodology to verify compliance with the renewable portfolio standards process in the two Acts.

Amending this commonly understood and widely used definition to include a generating source that has heretofore been excluded may have ramifications beyond those identified herein; other state and federal programs may be affected. For example, if enacted, it may be interpreted that an entity could install a CCNG turbine at a host site under the provisions of 62-13-13.1 and be designated as **not** a public utility, thereby avoiding the jurisdiction, control, and regulation of the Public Regulation Commission. Additionally, if enacted, the definition of renewable energy may generate conflicts with projects supported under the *Renewable Energy Financing District Act* (5-18 NMSA 1978)

Because “renewable energy” is defined in the *New Mexico Renewable Energy Transmission Act* (62-16A NMSA 1978), and the definition specifically excludes “electric energy generated by use of fossil fuel...” this proposed legislation would not affect NM RETA’s scope or authority.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If HB 327 is not enacted, the use of the term “renewable energy” throughout New Mexico laws and regulations will remain the same.

## **AMENDMENTS**