

1 HOUSE BILL 327

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Randall T. Pettigrew and Jimmy G. Mason and Jonathan A. Henry
5 and Mark B. Murphy
6
7
8
9

10 AN ACT

11 RELATING TO RENEWABLE ENERGY; AMENDING THE RURAL ELECTRIC
12 COOPERATIVE ACT AND THE RENEWABLE ENERGY ACT TO INCLUDE NATURAL
13 GAS USING COMBINED CYCLE TECHNOLOGY IN THE DEFINITION OF
14 "RENEWABLE ENERGY RESOURCE".
15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. Section 62-15-37 NMSA 1978 (being Laws 2007,
18 Chapter 4, Section 4, as amended) is amended to read:

19 "62-15-37. DEFINITIONS--ENERGY EFFICIENCY--RENEWABLE
20 ENERGY.--As used in the Rural Electric Cooperative Act:

21 A. "energy efficiency" means measures, including
22 energy conservation measures, or programs that target consumer
23 behavior, equipment or devices to result in a decrease in
24 consumption of electricity without reducing the amount or
25 quality of energy services;

.229458.1

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 B. "renewable energy" means electric energy
2 generated by use of renewable energy resources and delivered to
3 a rural electric cooperative;

4 C. "renewable energy certificate" means a
5 certificate or other record, in a format approved by the public
6 regulation commission, that represents all the environmental
7 attributes from one megawatt-hour of electricity generated from
8 renewable energy;

9 D. "renewable energy resource" means electric or
10 useful thermal energy:

11 (1) generated by use of the following energy
12 resources, with or without energy storage and delivered to a
13 rural electric cooperative:

14 (a) solar, wind, ~~[and]~~ geothermal and
15 natural gas using combined cycle technology;

16 (b) hydropower facilities brought in
17 service on or after July 1, 2007;

18 (c) other hydropower facilities
19 supplying no greater than the amount of energy from hydropower
20 facilities that were part of an energy supply portfolio prior
21 to July 1, 2007;

22 (d) fuel cells that do not use fossil
23 fuels to create electricity;

24 (e) biomass resources, limited to
25 agriculture or animal waste, small diameter timber, not to

.229458.1

1 exceed eight inches, salt cedar and other phreatophyte or woody
2 vegetation removed from river basins or watersheds in New
3 Mexico; provided that these resources are from facilities
4 certified by the energy, minerals and natural resources
5 department to: 1) be of appropriate scale to have sustainable
6 feedstock in the near vicinity; 2) have zero life cycle carbon
7 emissions; and 3) meet scientifically determined restoration,
8 sustainability and soil nutrient principles; and

9 (f) landfill gas and anaerobically
10 digested waste biomass; and

11 (2) does not include electric energy generated
12 by use of fossil fuel or nuclear energy, except for natural gas
13 using combined cycle technology;

14 E. "useful thermal energy" means renewable energy
15 delivered from a source that can be metered and that is
16 delivered in the state to an end user in the form of direct
17 heat, steam or hot water or other thermal form that is used for
18 heating, cooling, humidity control, process use or other valid
19 end-use energy requirements and for which fossil fuel or
20 electricity would otherwise be consumed;

21 F. "zero carbon resource" means an electricity
22 generation resource that emits no carbon dioxide into the
23 atmosphere, or that reduces methane emitted into the atmosphere
24 in an amount equal to no less than one-tenth of the tons of
25 carbon dioxide emitted into the atmosphere, as a result of

1 electricity production; and

2 G. "zero carbon resource standard" means providing
3 New Mexico rural electric cooperative retail customers with
4 electricity generated from one hundred percent zero carbon
5 resources."

6 SECTION 2. Section 62-16-3 NMSA 1978 (being Laws 2004,
7 Chapter 65, Section 3, as amended) is amended to read:

8 "62-16-3. DEFINITIONS.--As used in the Renewable Energy
9 Act:

10 A. "commission" means the public regulation
11 commission;

12 B. "energy storage" means batteries or other means
13 by which energy can be retained and delivered as electricity
14 for use at a later time;

15 C. "municipality" means a municipal corporation,
16 organized under the laws of the state, and H class counties;

17 D. "public utility" means an entity certified by
18 the commission to provide retail electric service in New Mexico
19 pursuant to the Public Utility Act but does not include rural
20 electric cooperatives;

21 E. "reasonable cost threshold" means an average
22 annual levelized cost of sixty dollars (\$60.00) per megawatt-
23 hour at the point of interconnection of the renewable energy
24 resource with the transmission system, adjusted for inflation
25 after 2020;

.229458.1

underscored material = new
[bracketed material] = delete

1 F. "renewable energy" means electric energy
2 generated by use of renewable energy resources and delivered to
3 a public utility;

4 G. "renewable energy certificate" means a
5 certificate or other record, in a format approved by the
6 commission, that represents all the environmental attributes
7 from one megawatt-hour of electricity generated from renewable
8 energy;

9 H. "renewable energy resource" means the following
10 energy resources, with or without energy storage:

11 (1) solar, wind, ~~[and]~~ geothermal and natural
12 gas using combined cycle technology;

13 (2) hydropower facilities brought in service
14 on or after July 1, 2007;

15 (3) biomass resources, limited to agriculture
16 or animal waste, small diameter timber, not to exceed eight
17 inches, salt cedar and other phreatophyte or woody vegetation
18 removed from river basins or watersheds in New Mexico; provided
19 that these resources are from facilities certified by the
20 energy, minerals and natural resources department to:

21 (a) be of appropriate scale to have
22 sustainable feedstock in the near vicinity;

23 (b) have zero life cycle carbon
24 emissions; and

25 (c) meet scientifically determined

.229458.1

1 restoration, sustainability and soil nutrient principles;

2 (4) fuel cells that do not use fossil fuels to
3 create electricity; and

4 (5) landfill gas and anaerobically digested
5 waste biogas;

6 I. "renewable portfolio standard" means the minimum
7 percentage of retail sales of electricity by a public utility
8 to electric consumers in New Mexico that is required by the
9 Renewable Energy Act to be from renewable energy;

10 J. "renewable purchased power agreement" means an
11 agreement that binds an entity generating power from renewable
12 energy resources to provide power at a specified price and
13 binds the purchaser to that price;

14 K. "zero carbon resource" means an electricity
15 generation resource that emits no carbon dioxide into the
16 atmosphere, or that reduces methane emitted into the atmosphere
17 in an amount equal to no less than one-tenth of the tons of
18 carbon dioxide emitted into the atmosphere, as a result of
19 electricity production; and

20 L. "zero carbon resource standard" means providing
21 New Mexico public utility customers with electricity generated
22 from one hundred percent zero carbon resources."