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HOUSE BILL 9

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Meredith A. Dixon and Nathan P. Small and Kristina Ortez

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE CLIMATE, ENERGY AND WATER DIVISION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT; PROVIDING THE POWERS AND DUTIES OF THE DIVISION; ESTABLISHING THE DECARBONIZATION TECHNOLOGY PROGRAM; CREATING THE CLIMATE, ENERGY AND WATER PROJECT FUND; MAKING APPROPRIATIONS.

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

SECTION 1. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] CLIMATE, ENERGY AND WATER DIVISION CREATED.--

A. The "climate, energy and water division" is created in the department. The division shall:

(1) serve as project permitting navigators for climate, energy and water projects;

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1 (2) identify site-ready and brownfield  
2 locations for climate, energy and water projects;

3 (3) provide recommendations to the governor  
4 and the legislature for the streamlining of permitting for  
5 climate, energy and water projects;

6 (4) work with international, regional and  
7 national entities on climate, energy and water technology and  
8 economics;

9 (5) coordinate with industry and workforce  
10 organizations, educational and post-secondary educational  
11 institutions and the workforce solutions department to ensure a  
12 trained workforce in the state;

13 (6) engage directly with Indian nations,  
14 tribes and pueblos on energy partnerships, including serving as  
15 a resource for grant opportunities, workforce development and  
16 industry relationships;

17 (7) identify and facilitate partnerships for  
18 entities in the state to apply for competitive federal grant  
19 opportunities relating to climate, energy and water technology,  
20 hubs and economics;

21 (8) establish guidelines and rules for  
22 programs and grants for clean energy, water and energy  
23 conservation technology pilot and demonstration projects;

24 (9) develop a two-year strategic plan and  
25 submit the plan to the department before August 1 of each year;

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1 (10) gather, centralize and disseminate  
2 information on climate, energy and water technology and  
3 entities working in those sectors; and

4 (11) create programs to support the  
5 decarbonization of New Mexico industry, electricity generation,  
6 transportation, agriculture and buildings.

7 B. The division may:

8 (1) adopt rules for a decarbonization  
9 technology program;

10 (2) make, enter into and enforce contracts,  
11 agreements and other instruments necessary, convenient or  
12 desirable in the exercise of the division's powers and  
13 functions;

14 (3) enter into agreements to share employees  
15 with the department of environment, the energy, minerals and  
16 natural resources department and the workforce solutions  
17 department; and

18 (4) do anything necessary to carry out the  
19 division's purposes and exercise the division's powers."

20 SECTION 2. A new section of the Economic Development  
21 Department Act is enacted to read:

22 "[NEW MATERIAL] DECARBONIZATION TECHNOLOGY PROGRAM.--The  
23 climate, energy and water division of the department shall  
24 establish the "decarbonization technology program" in the  
25 department to:

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1           A. recruit climate, energy and water technology  
2 companies to the state;

3           B. coordinate and link pilot and demonstration  
4 projects to existing entities in the state;

5           C. promote technology transfer, commercialization  
6 and research and development of climate, energy and water  
7 technology in the state;

8           D. develop and implement tools and incentives to  
9 facilitate decarbonization efforts;

10          E. make recommendations for policy and statutory  
11 changes; and

12          F. establish a carbon concierge program to connect  
13 suppliers, offtakers and carbon-emitting sectors to new  
14 technologies."

15           SECTION 3. A new section of the Economic Development  
16 Department Act is enacted to read:

17           "[NEW MATERIAL] CLIMATE, ENERGY AND WATER PROJECT FUND--  
18 CREATED.--

19           A. The "climate, energy and water project fund" is  
20 created as a nonreverting fund in the state treasury. The fund  
21 consists of appropriations, gifts, grants, fees, distributions,  
22 donations and income from investment of the fund. Money in the  
23 fund shall be expended upon warrant of the secretary of finance  
24 and administration pursuant to vouchers signed by the secretary  
25 of economic development or the secretary's authorized

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1 representative. Money in the climate, energy and water project  
2 fund is appropriated to the department for administration by  
3 the climate, energy and water division to make grants to an  
4 eligible entity for:

5 (1) state matching funds for federal grants  
6 for clean energy projects;

7 (2) pilot and demonstration projects for clean  
8 energy, water and energy conservation technologies; and

9 (3) studies and research concerning the  
10 development of clean energy and energy conservation.

11 B. As used in this section, "eligible entity" means  
12 the state or an agency or institution of the state or a county,  
13 a municipality, a school district, a public post-secondary  
14 educational institution, an acequia association, a public  
15 improvement district, a special water, drainage, irrigation or  
16 conservancy district or other special district created pursuant  
17 to law, an Indian nation, tribe or pueblo located wholly or  
18 partially in New Mexico, including a political subdivision or a  
19 wholly owned enterprise of an Indian nation, tribe or pueblo or  
20 a consortium of those Indian entities or a consortium of any  
21 two or more qualified entities created pursuant to law."

22 SECTION 4. APPROPRIATIONS.--

23 A. Ten million dollars (\$10,000,000) is  
24 appropriated from the general fund to the climate, energy and  
25 water project fund for expenditure in fiscal year 2025 and

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1 subsequent fiscal years for the purposes of the fund. Any  
2 unexpended or unencumbered balance remaining at the end of a  
3 fiscal year shall not revert to the general fund.

4 B. Five million dollars (\$5,000,000) is  
5 appropriated from the general fund to the climate, energy and  
6 water division of the economic development department for  
7 expenditure in fiscal year 2025 to carry out the purposes of  
8 the division. Any unexpended or unencumbered balance remaining  
9 at the end of fiscal year 2025 shall revert to the general  
10 fund.