

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

FISCAL IMPACT REPORT

SPONSOR Ferrary/Sariñana/Silva **LAST UPDATED** _____
ORIGINAL DATE 2/24/2025
SHORT TITLE Clarify Renewable Energy Portfolio Standards **BILL NUMBER** House Bill 452
ANALYST Davidson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMAG		\$129.0	\$129.0	\$258.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico Attorney General (NMAG)
Public Regulation Commission (PRC)

SUMMARY

Synopsis of House Bill 452

House Bill 452 (HB452) proposes to amend sections of the state's Renewable Energy Act, adding language regarding generators of renewable energy to ensure, for those that are net metered, all the energy generated is deemed to have been purchased by the public utility and all the energy consumed on site of the renewable energy generator is included in the total retail sales for the purpose of calculating the renewable portfolio standard.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

Due to the potential litigation arising from HB452 (see "Significant Issues"), the New Mexico Attorney General (NMAG) could require one additional attorney at a cost of \$129 thousand.

SIGNIFICANT ISSUES

Analysis from the New Mexico Attorney General (NMAG) notes the proposed language within House Bill 42 conflicts with current New Mexico Administrative Code. NMAG analysis current statute states:

In the case of qualifying facilities that are net metered ... only the excess net energy delivered from the qualifying facility to the utility shall be deemed to be purchased by the utility for the purposes of this rule, unless a different purchasing scheme is permitted in a specific agreement.

NMAG analysis notes HB452's requirement that all the energy consumed on site would conflict with the state's current approach that only the excess energy is included in total retail sales.

NMAG analysis further notes HB452 does not clearly state if the bill would operate retroactively; therefore, NMAG analysis assumes it would only affect the ownership of renewable energy credits prospectively.

AD/hj/hg