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HOUSE BILL 251

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Ni ck L. Salazar

AN ACT

**RELATING TO ENERGY; ENACTING THE ADVANCED ENERGY TECHNOLOGIES
ECONOMIC DEVELOPMENT ACT; CREATING A FUND; CREATING A GRANTS
PROGRAM TO PROMOTE RESEARCH AND DEVELOPMENT OF ENERGY
CONSERVATION TECHNOLOGIES; MAKING APPROPRIATIONS.**

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

**Section 1. SHORT TITLE. --This act may be cited as the
"Advanced Energy Technologies Economic Development Act".**

**Section 2. FINDINGS. --The legislature finds that
advancing the development of hydrogen, fuel cell, renewable
energy and energy efficiency technologies is important for the
state's economic future and energy stability, and to protect
the public health of its citizens and the state's environment.
The legislature further finds that there is a need to assist in
the development of early market demand that will advance the**

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1 commercialization and widespread application of these emerging
2 energy technologies. The legislature further finds that New
3 Mexico is ideally positioned to stimulate advanced energy
4 technology economic development due to its abundance of natural
5 and renewable energy sources, a successful research and
6 development track record, an ability to attract significant
7 research and development federal dollars and the establishment
8 of a variety of entrepreneurial support programs.

9 Section 3. PURPOSE. --The Advanced Energy Technologies
10 Economic Development Act provides funds to stimulate the market
11 for and promote the statewide utilization of advanced energy
12 technologies. That act further provides for a targeted program
13 that advances the creation of a hydrogen and fuel cell industry
14 cluster.

15 Section 4. DEFINITIONS. --As used in the Advanced Energy
16 Technologies Economic Development Act:

17 A. "alternative fuel" means natural gas, liquefied
18 petroleum gas, electricity, hydrogen, a fuel mixture containing
19 not less than eighty-five percent ethanol or methanol, a fuel
20 mixture containing not less than twenty percent vegetable oil
21 or a water-phased hydrocarbon fuel emulsion consisting of a
22 hydrocarbon base and water in an amount not less than twenty
23 percent by volume of the total water-phased fuel emulsion;

24 B. "clean energy" means alternative fuels, energy
25 efficiency, renewable energy and fuel cells;

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- 1 C. "department" means the energy, minerals and
2 natural resources department;
- 3 D. "energy efficiency" means the application of
4 technology resulting in the reduced or improved use of energy;
- 5 E. "fuel cell" means equipment using an
6 electrochemical process to generate electricity and heat;
- 7 F. "fund" means the clean energy grants fund;
- 8 G. "renewable energy" means thermal or electrical
9 energy generated by means of a low- or zero-emissions
10 generation technology that has substantial long-term production
11 potential, including solar, wind, geothermal, landfill gas or
12 biomass, but does not include fossil fuel or nuclear power; and
- 13 H. "secretary" means the secretary of energy,
14 minerals and natural resources.

15 Section 5. CLEAN ENERGY GRANTS FUND. --The "clean energy
16 grants fund" is created in the state treasury. The fund shall
17 consist of money appropriated and transferred to the fund and
18 tax revenues distributed to the fund by law. Earnings from
19 investment of the fund shall be credited to the fund. Money in
20 the fund is appropriated to the department for the purpose of
21 administering the clean energy grants program pursuant to the
22 Advanced Energy Technologies Economic Development Act. Any
23 unexpended or unencumbered balance remaining at the end of a
24 fiscal year shall not revert. Disbursements from the fund
25 shall be made upon warrants drawn by the secretary of finance

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1 and administration pursuant to vouchers signed by the secretary
2 of energy, minerals and natural resources.

3 Section 6. CLEAN ENERGY GRANTS PROGRAM --

4 A. The secretary shall establish the clean energy
5 grants program to provide clean energy grants to:

- 6 (1) municipalities and county governments;
- 7 (2) state agencies;
- 8 (3) state universities;
- 9 (4) public schools;
- 10 (5) post-secondary educational institutions;

11 and

- 12 (6) Indian nations, tribes and pueblos.

13 B. The secretary may make grants from the fund for
14 physical projects utilizing clean energy technologies and clean
15 energy education, technical assistance and training programs.

16 The department may use no more than one hundred thousand
17 dollars (\$100,000) from the fund for the administration of the
18 grants program and to conduct research or studies directly
19 related to the Advanced Energy Technologies Economic
20 Development Act.

21 C. The department may adopt rules establishing the
22 application procedure and required qualifications of projects.
23 No single entity shall receive greater than one hundred
24 thousand dollars (\$100,000) from the fund. Factors that may be
25 considered in approving or denying disbursements from the fund

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1 are:

2 (1) the geographic area of the state in which
3 the project is to be conducted in relation to other projects;

4 (2) percentage of cash or in-kind
5 contributions applied to the total project;

6 (3) the extent to which the project
7 incorporates an innovative new technology or an innovative
8 application of an existing technology;

9 (4) the degree to which the project will
10 reduce the entity's energy-related expenditures;

11 (5) the degree to which the project fosters
12 the general public's, students' or a specific government or
13 industry sector's overall understanding and appreciation of
14 clean energy technologies; and

15 (6) the extent to which the project stimulates
16 in-state economic development, including jobs creation, and
17 further development of a commercial market for clean energy
18 technologies.

19 D. Except as provided otherwise in this section,
20 the department shall disburse:

21 (1) no less than three hundred thousand
22 dollars (\$300,000) to municipalities and county governments;

23 (2) no less than three hundred thousand
24 dollars (\$300,000) to state universities and post-secondary
25 educational institutions;

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1 (3) no less than three hundred thousand
2 dollars (\$300,000) to Indian nations, tribes and pueblos; and

3 (4) no more than two hundred thousand dollars
4 (\$200,000) to state agencies and public schools.

5 E. The minimum disbursements designated in this
6 section may be amended by the department if an insufficient
7 number of qualified projects are applied for by entities
8 seeking grant funding within a particular category or
9 categories.

10 F. The department shall report on disbursements
11 made from the fund to the legislative finance committee prior
12 to each regular legislative session. The report shall include:

13 (1) a list of recipients receiving
14 disbursements;
15 (2) the amount of each disbursement;
16 (3) the date of each disbursement;
17 (4) a description of each project or expansion
18 funded with a disbursement;

19 (5) a description of each project's
20 contribution to the state's knowledge and use of clean energy
21 technologies; and

22 (6) a description of the extent to which the
23 grants program is benefitting the state's environment, public
24 health and economic development.

25 Section 7. HYDROGEN AND FUEL CELL TECHNOLOGIES

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1 DEVELOPMENT PROGRAM --

2 A. The secretary of economic development, in
3 collaboration with the department, shall establish a hydrogen
4 and fuel cell technologies development program for the purpose
5 of fostering the development of hydrogen and fuel cell-related
6 commercialization and economic development in the state. The
7 program shall include:

8 (1) establishing a public-private partnership
9 between the state, national laboratories, nonprofit
10 organizations and the hydrogen and fuel cell technologies
11 industry sector to provide guidance and support for hydrogen
12 and fuel cell initiatives;

13 (2) supporting activities to adopt uniform
14 hydrogen safety codes and standards and provide education and
15 training to communicate these codes and standards to the
16 appropriate fire and regulatory entities;

17 (3) developing demonstration projects by
18 pursuing federal funds and other available funds to augment
19 state resources, advancing public education about hydrogen and
20 fuel cell technology and building the necessary infrastructure
21 to support commercial use and adoption of hydrogen and fuel
22 cell technologies; and

23 (4) coordinating and supporting research and
24 education activities in hydrogen and fuel cells between state
25 universities and federally funded research and development

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1 organizations in the state to promote closer cooperation and
2 advance the state's overall capabilities and programs in
3 hydrogen and fuel cell technologies.

4 B. The economic development department shall report
5 on the status and progress of the hydrogen and fuel cell
6 technologies development program to the legislative finance
7 committee prior to each regular legislative session. The
8 report shall include the type and amount of expenditures made
9 pursuant to the appropriation in this section.

10 Section 8. APPROPRIATION. -- One million five hundred
11 thousand dollars (\$1,500,000) is appropriated from the general
12 fund for expenditure in fiscal years 2005 and 2006 to the clean
13 energy grants fund to carry out the provisions of the Advanced
14 Energy Technologies Economic Development Act. Any unexpended
15 or unencumbered balance remaining in the fund at the end of
16 fiscal year 2006 shall not revert.

17 Section 9. APPROPRIATION. -- Five hundred thousand dollars
18 (\$500,000) is appropriated from the general fund to the
19 economic development department for expenditure in fiscal years
20 2005 and 2006 for the purpose of implementing the hydrogen and
21 fuel cell technologies development program. Any unexpended or
22 unencumbered balance remaining at the end of fiscal year 2006
23 shall revert to the general fund.