

LFC Requester:	Laird Graeser
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**AGENCY BILL ANALYSIS
2018 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 02/08/18
Original **Amendment** **Bill No:** HB196
Correction **Substitute**

Sponsor: Representative Bill McCamley **Agency Code:** 924
ENERGY EFFICIENCY & **Person Writing** Marian Rael
Short RENEWABLE BONDING 505 827
Title: CHANGES **Phone:** 6519 **Email** marian.rael@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB196 amends the Energy Efficiency and Renewable Energy Bonding Act (EEREBA) to: (1) update requirements for building assessments, (2) provide for the administration of a fund for debt service payments, (3) provide more clarity to PED for state equalization payment adjustments made in accordance with the EEREBA, (4) change criteria for the issuance of energy efficiency bonds and (5) require certifications and verifications regarding compliance with the EEREBA.

The effective date of the bill is July 1, 2018.

FISCAL IMPLICATIONS

The bill provides clarification to PED in adjusting state equalization guarantee (SEG) payments for school districts that have utilized this program. The method by which PED does a school district's SEG adjustment will not change from the current process. This should not impact school districts that have implemented energy efficiency upgrades through this program. HB 196 changes how amounts withheld from school district SEG are returned to service the bond debt by reverting amounts to the General Fund instead of to the Energy Efficiency and Renewable Energy Bonding Fund, and administrative burden.

SIGNIFICANT ISSUES

There are currently three school districts that have entered into contracts for energy efficiency upgrades through this program. They are: Mountainair, Santa Fe, and Socorro.

The EEREBA requires the PED to withhold 90% of the payments school districts are required to make to pay for energy efficiency bonds under this program from their SEG allocation. Currently, the PED then transfers this amount to the Energy Efficiency and Renewable Energy Bonding Fund. Monies from the fund are used to pay the principal and interest on bonds issued for this purpose. HB 196 allows PED to revert monies withheld as part of any SEG reversion to the state's General Fund instead of transferring the funds to the Energy Efficiency and Renewable Energy Bonding Fund.

TECHNICAL ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

This bill does not add any additional administrative requirements to the PED, and would simplify transfers of monies as PED would simply revert amounts withheld to the General Fund instead of wiring money to the Energy Efficiency and Renewable Bonding Fund at the New Mexico Finance Authority at the end of every fiscal year.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill relates to the State Equalization Guarantee (SEG) appropriation contained in the General Appropriations Act.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS