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  X  Amendment
Correction  ____ Substitute  ____

Bill No:  HB196

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

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
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<tbody>
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<td>FY18</td>
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<tr>
<td>FY19</td>
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(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

<table>
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<tr>
<th>Estimated Revenue</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
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<td>FY18</td>
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(Parenthesis ( ) Indicate Expenditure Decreases)
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