HOUSE BILL 12

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

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AN ACT

RELATING TO ECONOMIC DEVELOPMENT; ENACTING THE ADVANCED ENERGY
TECHNOLOGY ACT; ALLOWING PUBLIC PARTNERS TO ENTER INTO PUBLICPRIVATE PARTNERSHIP AGREEMENTS TO FACILITATE DEVELOPMENT OF
ADVANCED ENERGY TECHNOLOGY PROJECTS; ESTABLISHING CRITERIA FOR
APPROVAL OF ADVANCED ENERGY TECHNOLOGY PROJECTS; CREATING THE
ADVANCED ENERGY TECHNOLOGY FUND; AUTHORIZING GRANTS, LOANS AND
REVENUE BONDS; SPECIFYING POWERS AND DUTIES OF THE NEW MEXICO
FINANCE AUTHORITY; REQUIRING REPORTS; ADDING AN EXEMPTION TO
THE PROCUREMENT CODE; CREATING THE ECONOMIC TRANSITION DIVISION
OF THE ECONOMIC DEVELOPMENT DEPARTMENT; AMENDING THE TITLE OF A
DIVISION OF THE ECONOMIC DEVELOPMENT DEPARTMENT AND REVISING
ITS DUTIES; CREATING THE ECONOMIC TRANSITION FUND; REVISING
MEMBERSHIP OF THE BOARD OF THE TECHNOLOGY RESEARCH
COLLABORATIVE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978;
DECLARING AN EMERGENCY.

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RE	ΤТ	ENACTED	RY	THF	LEGISLATURE	OF	THF	STATE	OF	NEW	MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 12 of this act may be cited as the "Advanced Energy Technology Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Advanced Energy Technology Act:

- A. "advanced energy technology" means:
 - (1) an innovative technology:
- (a) that produces energy from solar, wind, geothermal, biomass, tidal, wave, ocean or other renewable energy resources;
 - (b) that produces nuclear energy;
 - (c) for carbon capture and

sequestration;

- (d) that enables advanced vehicles, vehicle components and related technologies that result in significant energy savings and emissions reductions; or
- (e) that generates, transmits, distributes, uses or stores energy more efficiently than conventional technologies, including through smart grid technologies;
- (2) a research, development, demonstration or commercial application activity necessary to ensure the long-term, secure and sustainable supply of an energy-critical .225200.3

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- (3) any other innovative energy technology area identified by the board;
- B. "advanced energy technology project" means a project that:
- (1) re-equips, expands or establishes a manufacturing or recycling facility for the production or recycling, as applicable, of an advanced energy property; or
- (2) re-equips an industrial or manufacturing facility with equipment designed to reduce the greenhouse gas emissions of that facility substantially below the greenhouse gas emissions under current best practices, as determined by the secretary of environment, through the installation of:
- (a) low- or zero-carbon process heat systems;
- (b) carbon capture, sequestration, transport utilization and storage systems;
- (c) technology relating to energy efficiency and reduction in waste from industrial processes; or
- (d) any other industrial technology that significantly reduces greenhouse gas emissions, as determined by the secretary of environment; and
- (3) has a reasonable expectation of commercial viability, as determined by the board;
- C. "authority" means the New Mexico finance .225200.3

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- D. "board" means the board of the technology research collaborative;
- "greenhouse gas" means gaseous compounds that absorb infrared radiation emitted from the earth's surface and trap heat in the earth's atmosphere, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, nitrogen trifluoride and sulfur hexafluoride, but not including water vapor;
- "hard-to-decarbonize industry" means an industry F. for which there are not yet easily adopted, cost-effective alternative technologies to eliminate greenhouse gas emissions;
- "net-zero emissions" means allowable direct emissions of greenhouse gases that are fully offset;
- "offset" means a quantifiable, enforceable, Η. additional, permanent and verifiable greenhouse gas reduction or sequestration by biological, chemical or geological means measured in terms of metric tons of carbon dioxide equivalent;
- "private partner" means an individual, a foreign or domestic corporation, a general partnership, a limited liability company, a limited partnership, a joint venture, a business trust, a public benefit corporation, a nonprofit entity or another private business entity or combination thereof;
- "public partner" means the state and its .225200.3

branches, agencies, departments, boards, instrumentalities or institutions and all political subdivisions of the state and their agencies, instrumentalities and institutions, including a department, an agency, an institution of higher education, a board or a commission;

- K. "public-private partnership" means an arrangement between one or more public partners and one or more private partners for the development of an advanced energy technology project pursuant to the Advanced Energy Technology Act;
- L. "public-private partnership agreement" means a contract between one or more public partners and one or more private partners in connection with the development of an advanced energy technology project;
- M. "revenue" means all revenue, income, earnings, user fees, lease payments or other service payments that support the development of an advanced energy technology project, including money received as a grant or otherwise from the federal government, a public partner or any agency or instrumentality of the federal government; and
- N. "user fees" means rates, fees or other charges imposed by the public partner or the private partner for use of all or part of a project.
- SECTION 3. [NEW MATERIAL] PUBLIC-PRIVATE PARTNERSHIP

 AGREEMENTS--REQUIREMENTS--RESTRICTIONS.--

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- To provide economic and administrative Α. efficiencies in connection with the development of advanced energy technology projects, a public partner is authorized to enter into public-private partnership agreements.
- Prior to entering into negotiations regarding the use of a public-private partnership agreement as a method of implementing a proposed advanced energy technology project, the public partner shall publish in a newspaper of general circulation its interest in considering such an agreement, and such publication shall include a description of the scope of the proposed advanced energy technology projects.
- Prior to entering into a public-private partnership agreement, a public partner shall:
- undertake a cost-benefit analysis of a (1) public-private partnership advanced energy technology project in comparison with a traditional public partner-managed project;
- demonstrate the potential of the proposed advanced energy technology project to meet the important public need of reducing carbon emissions, especially in hard-todecarbonize industries;
- conduct a public hearing relating to the (3) proposed public-private partnership held in accordance with the Open Meetings Act; and
- demonstrate that the proposed advanced .225200.3

energy technology project will comply with applicable state and federal laws.

- D. A public-private partnership agreement shall:
- (1) define the roles and responsibilities of the public partners and the private partners;
- (2) provide financial recapture provisions that protect the public investment in the event of a default on the agreement;
- (3) provide a finance plan detailing the financial contributions and obligations of the public and private partners;
- (4) require a private partner to provide, or cause to be provided, performance and payment bonds as required pursuant to Section 13-4-18 NMSA 1978;
- (5) require a private partner to provide guarantees, letters of credit or other acceptable forms of security, the amount of which may be less than one hundred percent of the value of the public investment involved in the agreement based on the determination of the public partner, or for public-private partnership agreements requiring board approval, based on the determination by the board;
- (6) specify how revenue will be collected,
 accounted for and audited;
- (7) specify how debts incurred on behalf of the public partner or private partner will be repaid; .225200.3

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- (8) address how the public partners and the private partners will share management and the risks of the advanced energy technology project;
- provide that, in the event of an uncured (9) default, the public partner may:
- elect to take over the advanced energy technology project, including the succession of all rights, title and interest in the advanced energy technology project, subject to any liens on revenue previously granted by the private partner; and
- terminate the public-private partnership and exercise any other rights and remedies that may be available, where such right to terminate may also be exercised by the board if the board finds it is in the public interest to do so;
- (10)specify the term of the public-private partnership agreement, which shall not exceed thirty years;
- (11)limit a private partner from seeking injunctive or other equitable relief to in any way restrict a public partner from developing, constructing or maintaining an advanced energy technology project, except that the publicprivate partnership agreement may provide for reasonable compensation to the private partner for the adverse effect resulting from development, construction, operation and maintenance of another advanced energy technology project of .225200.3

the public partner;

- (12) provide for the protection of proprietary information of the private partner that shall not be deemed a public record pursuant to the Inspection of Public Records Act; and
- (13) provide provisions for termination of the public-private partnership agreement, including the cessation of the powers and duties of the private partner.
- E. A public-private partnership agreement for an advanced energy technology project shall not become effective until it is approved by the board pursuant to Subsection E of Section 4 of the Advanced Energy Technology Act.
- F. The public-private partnership agreement shall require the partners to make annual reports to the board documenting compliance with the applicable limits in Section 5 of the Advanced Energy Technology Act.
- SECTION 4. [NEW MATERIAL] ADVANCED ENERGY TECHNOLOGY

 BOARD--POWERS--DUTIES.--The board has the following powers and duties:
- A. propose incentives for New Mexico industrial entities to reduce and offset greenhouse gas emissions;
- B. work with, and provide support to, existing New Mexico companies and industries seeking to reduce greenhouse gas emissions or reach statewide limits as set forth in Section 5 of the Advanced Energy Technology Act;

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- C. create and establish a process for advance market commitments:
- D. work with state agencies to ensure that workforce needs of advanced energy technology projects developed under the Advanced Energy Technology Act are met;
- E. review and approve or disapprove proposed public-private partnership agreements for a project;
- F. elect a board chair and meet quarterly or at other times deemed necessary by the board chair; the board chair may also cancel quarterly meetings when it is in the interest of the board;
- G. develop forms of applications for approval of public-private partnerships;
- H. modify or terminate existing approvals or designations for failure to meet the requirements of the Advanced Energy Technology Act;
- I. certify the need for the issuance of revenue bonds and refunding bonds by the authority;
- J. adopt and promulgate rules establishing the application process and criteria for the approval of public-private partnership agreements in accordance with the provisions of the State Rules Act;
- K. approve or disapprove applications for grants or loans from the advanced energy technology fund for advanced energy technology projects;

- L. consult with state agencies, including the economic development department, the energy, minerals and natural resources department, the department of environment or other state agencies, on technical issues relevant to the board's consideration of an application;
- M. request updates to any technical information, including any annual certification, provided in connection with an approved application or designation; and
- N. take all other action necessary to implement the Advanced Energy Technology Act, including entering into joint-powers agreements and retaining legal counsel and experts when appropriate.
- SECTION 5. [NEW MATERIAL] ADVANCED ENERGY TECHNOLOGY
 PROJECTS--CRITERIA FOR APPROVAL.--
- A. Before an advanced energy technology project, advance market commitment, incentive, loan or grant can be approved by the board, the applicants for the proposed public-private partnership agreement shall demonstrate their proposed project will contribute to the overall reduction in the following applicable emissions reduction limits:
- (1) by 2030, statewide direct emissions of greenhouse gases shall be at least fifty percent less than 2005 levels;
- (2) by 2040, statewide direct emissions of greenhouse gases shall be at least seventy-five percent less .225200.3

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- (3) by 2050 and in every subsequent year, statewide direct emissions of greenhouse gases shall be at least ninety percent less than 2005 levels; and
- (4) by 2050 and in every subsequent year, any remaining statewide direct emissions of greenhouse gases shall be at least matched by quantifiable, enforceable, additional, permanent and verifiable offsets to achieve net-zero emissions in 2050 and every subsequent year.
- B. To ensure advanced energy technology projects have meaningful benefits to and achieve reductions of environmental degradation and greenhouse gas emissions in disproportionately impacted communities, the following principles shall be followed when evaluating proposed projects:
 - (1) engage overly burdened communities;
- (2) respect tribal sovereignty and require collaboration and consultation;
 - (3) maintain accountability and transparency;
- (4) incorporate traditional knowledge and experience;
 - (5) advance equitable economic transition;
- (6) prioritize creating and maintaining universal access to utilities; and
 - (7) reduce health and environmental impacts.
- SECTION 6. [NEW MATERIAL] NEW MEXICO FINANCE AUTHORITY
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DUTIES. -- The authority shall:

- A. provide staff support to the board for the financial analysis of proposed advanced energy technology projects;
 - B. administer the advanced energy technology fund;
- C. develop forms of grant and loan applications for advanced energy technology projects seeking funds from the advanced energy technology fund;
- D. make grants and loans from the advanced energy technology fund for applications that have been approved by the board pursuant to Subsection K of Section 4 of the Advanced Energy Technology Act;
- E. adopt and promulgate rules as necessary relating to the issuance of bonds for advanced energy technology projects;
- F. upon certification by the board, issue revenue bonds and refunding bonds in accordance with the provisions of the Advanced Energy Technology Act;
- G. fix, revise, charge and collect fees and other charges in connection with making, servicing or collecting on grants and loans from the advanced energy technology fund;
- H. be compensated from the advanced energy technology fund for administrative and reimbursable costs in connection with the authority's support of the board and administration of the advanced energy technology fund; and .225200.3

I. take all other action necessary to implement the Advanced Energy Technology Act, including entering into joint-powers agreements with other agencies.

SECTION 7. [NEW MATERIAL] ADVANCED ENERGY TECHNOLOGY FUND

CREATED--STUDY GRANTS--INFRASTRUCTURE LOANS.--

- A. The "advanced energy technology fund" is created within the authority. The fund consists of appropriations, payments of principal and interest on loans made from the fund, income from investment of the fund and any other money distributed or otherwise allocated to the fund. Balances in the fund at the end of any fiscal year shall not revert to the general fund. The fund may consist of such subaccounts as the authority deems necessary to carry out the purposes of the fund.
- B. Money in the fund may be used to make grants of up to two hundred fifty thousand dollars (\$250,000) to a public partner for the purposes of studying the costs and benefits of entering into a public-private partnership for a proposed project. A private partner shall provide funds that match or exceed the public partner's monetary obligation for the cost of the study, as required by the authority.
- C. Money in the fund may be used to provide grants and loans for financing an advanced energy technology project or an advance market commitment through a public-private partnership agreement; provided that:

- (1) the private partner shall provide funds that match or exceed the public partner's monetary obligation for the public-private partnership agreement, as provided by rule; and
- (2) the public partner certifies to the board that the public partner has taken all action necessary to approve the public-private partnership agreement and that the public-private partnership agreement contains all terms and conditions required by Subsection D of Section 3 of the Advanced Energy Technology Act.
- D. Money in the fund may be used pursuant to Subsections B and C of this section only for grants or loans to a public partner for an eligible project.
- E. Money in the fund may be used for grants or loans to an Indian nation, tribe or pueblo that has entered into a partnership with a private partner for the development of an advanced energy technology project only if:
- (1) the agreement between the Indian nation, tribe or pueblo and the private partner is approved by the board; and
- (2) the grant or loan application is approved by the board.
- F. Money in the fund may be used for administrative and reimbursable costs incurred by the board, the economic development department, the energy, minerals and natural .225200.3

resources department or the department of environment and the authority.

SECTION 8. [NEW MATERIAL] REVENUE BONDING AUTHORITY.--

- A. Upon certification of the board, the authority may issue revenue bonds, the pledged revenues for which shall be fees, charges, lease payments, installment sale payments or other revenue sources of a project for any one or more of the purposes authorized by the Advanced Energy Technology Act.
- B. The authority may pledge irrevocably any or all of the revenue received by the authority to the payment of the interest on and principal of revenue bonds for any of the purposes authorized in the Advanced Energy Technology Act.
- C. In addition to the pledge of revenues to the payment of revenue bonds, the authority may grant a mortgage on a project that has been solely financed by revenue bonds to the bondholders or a trustee for the benefit of the holders of revenue bonds.
- D. Revenue in excess of the annual principal and interest due on revenue bonds secured by a pledged revenue may be accumulated in a debt service reserve account. The authority may appoint a commercial bank trust department to act as paying agent or trustee of the revenue and to administer the payment of principal of and interest on the revenue bonds.
- E. Except as otherwise provided in the Advanced Energy Technology Act, revenue bonds:

- (1) may have interest, principal value or any part thereof payable at intervals or at maturity as may be determined by the authority;
- (2) may be subject to prior redemption at the authority's option at a time and upon terms and conditions, with or without the payment of a premium, as determined by the authority;
- (3) may mature at any time not exceeding thirty years after the date of issuance;
- (4) may be serial in form and maturity, may consist of one bond payable at one time or in installments or may be in another form determined by the authority;
- (5) shall be sold for cash at, above or below par and at a price that results in a net effective interest rate that does not exceed the maximum permitted by the Public Securities Act and the Public Securities Short-Term Interest Rate Act; and
 - (6) may be sold at public or negotiated sale.
- F. At a regular or special meeting, the authority may, upon receipt of a certification from the board, adopt a resolution that:
- (1) declares the necessity for issuing revenue bonds;
- (2) authorizes the issuance of revenue bonds by an affirmative vote of a majority of all of the members of .225200.3

the authority; and

(3) designates the sources of revenues to be pledged to the repayment of the revenue bonds.

SECTION 9. [NEW MATERIAL] REFUNDING BOND AUTHORITY.--

- A. Upon certification of the board, the authority may issue refunding bonds for the purpose of refinancing, paying and discharging all or any part of outstanding bonds for the:
- (1) acceleration, deceleration or other modification of the payment of the outstanding bonds, including any capitalization of any interest thereon in arrears or about to become due for any period not exceeding two years from the date of the refunding bonds;
- (2) reduction of interest costs or effecting other economies; or
- (3) modification or elimination of restrictive contractual limitations pertaining to the issuance of additional bonds or concerning the outstanding bonds or project relating to the outstanding bonds.
- B. The authority shall pledge irrevocably for the payment of interest, principal and premium, if any, on refunding bonds the appropriate pledged revenues, which may be pledged to an original issue of bonds.
- C. In addition to the pledge of revenue to the payment of refunding bonds, the authority may grant a mortgage .225200.3

on a project that has been solely financed by revenue bonds to the bondholders or a trustee for the benefit of the holders of the bonds.

- D. Refunding bonds may be issued separately or in combination in one series or more.
- E. Refunding bonds shall be authorized by resolution. Bonds that are refunded shall be paid at maturity or on any permitted prior redemption date in the amounts, at the time and places and, if called prior to maturity, in accordance with any applicable notice provisions, all as provided in the proceedings authorizing the issuance of the refunded bonds or otherwise appertaining thereto, except for any such bond that is voluntarily surrendered for exchange or payment by the holder or owner.
- F. The principal amount of the refunding bonds may exceed the principal amount of the refunded bonds and may also be less than or the same as the principal amount of the bonds being refunded if provision is duly and sufficiently made for the payment of the refunded bonds.
- G. The proceeds of refunding bonds, including accrued interest and premiums appertaining to the sale of refunding bonds, shall be immediately applied to the retirement of the bonds being refunded or placed in escrow in a commercial bank or trust company that possesses and exercises trust powers and that is a member of the federal deposit insurance

corporation.

H. Refunding bonds may bear additional terms and provisions as determined by the authority subject to the limitations in this section relating to original bond issues. Refunding bonds are not subject to the provisions of any other statute.

I. Refunding bonds:

- (1) may have interest, principal value or any part thereof payable at intervals or at maturity, as determined by the authority;
- (2) may be subject to prior redemption at the authority's option at a time or times and upon terms and conditions with or without payment of premium or premiums, as determined by the authority;
- (3) may be serial in form and maturity or may consist of a single bond payable in one or more installments or may be in another form, as determined by the authority; and
- (4) shall be exchanged for the bonds and any matured unpaid interest being refunded at not less than par or sold at public or negotiated sale at, above or below par and at a price that results in a net effective interest rate that does not exceed the maximum permitted by the Public Securities Act.
- J. At a regular or special meeting, the authority may adopt a resolution by majority vote to authorize the issuance of the refunding bonds.

SECTION 10. [NEW MATERIAL] BONDS NOT OBLIGATION OF
STATE.--All bonds or other obligations issued pursuant to the
Advanced Energy Technology Act are payable solely from the
revenue of the authority that may be pledged to the payment of
such obligations, and the bonds or other obligations shall not
create an obligation, debt or liability of the state or of its
political subdivisions. No breach of any pledge, obligation or
agreement of the authority shall impose a pecuniary liability
or a charge upon the general credit or taxing power of the
state or of its political subdivisions.

SECTION 11. [NEW MATERIAL] REPORT.--By June 1, 2024, and by June 1 of each year thereafter, the board shall provide a report to the governor and the New Mexico finance authority oversight committee regarding:

- A. advanced energy technology projects, incentives and advance market commitments approved by the board;
- B. a description of the businesses and industries participating in each advanced energy technology project;
- C. grant and loan applications approved, denied and pending decisions by the board;
- D. public-private partnership agreements approved by the board;
- E. the status of the advanced energy technology fund, including any need for additional appropriation of funding;

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- F. any certifications for the issuance of revenue or refunding bonds made by the board to the authority;
- G. any recommendations on how to improve the operation and impacts of the advanced energy technology fund, including any policy directions and funding recommendations; and
- H. any recommended changes to the Advanced Energy Technology Act, including the advanced energy technology fund.

Advanced Energy Technology Act shall be deemed to provide an additional and alternative method for the doing of things authorized by that act and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing; provided that the issuance of bonds pursuant to the provisions of the Advanced Energy Technology Act need not comply with the requirements of any other law applicable to the issuance of bonds, except the Public Securities Act, the Public Securities Short-Term Interest Rate Act and the Public Securities
Limitation of Action Act, which acts shall apply.

SECTION 13. Section 9-15-4 NMSA 1978 (being Laws 1983, Chapter 297, Section 4, as amended) is amended to read:

"9-15-4. DEPARTMENT ESTABLISHED.--There is created in the executive branch the "economic development department". The department shall be a cabinet department and shall consist of, .225200.3

1	but not be limited to, [six] seven divisions as follows:
2	A. the administrative services division;
3	B. the economic development division;
4	C. the New Mexico film division;
5	D. the [technology enterprise] science, technology
6	and advanced energy division;
7	E. the trade and Mexican affairs division; [and]
8	F. the New Mexico outdoor recreation division; and
9	G. the economic transition division."
10	SECTION 14. Section 9-15-16 NMSA 1978 (being Laws 1991,
11	Chapter 21, Section 21) is amended to read:
12	"9-15-16. [TECHNOLOGY ENTERPRISE] SCIENCE, TECHNOLOGY AND
13	ADVANCED ENERGY DIVISION CREATEDThe "[technology enterprise]
14	science, technology and advanced energy division" is created as
15	a division of the [economic development] department. The
16	division shall:
17	A. enhance the business climate to encourage the
18	start-up, relocation, development and growth of technology-
19	based industry in New Mexico;
20	B. promote an expanded, diversified technology-
21	based economy, emphasizing areas that:
22	(1) derive from the state's technological
23	strengths;
24	(2) provide a commercial advantage;
25	(3) lend themselves to a distributed
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1	technology-based industry network; and
2	(4) utilize imaginative state, federal and
3	private partnerships; [and]
4	C. attain sufficient levels of human, financial and
5	physical resources to support in-state industries and attract
6	new industries to New Mexico;
7	D. enhance the business climate to encourage the
8	start-up, relocation, development and growth of
9	technology-based industry in New Mexico;
10	E. promote an expanded, diversified technology-
11	based economy, emphasizing areas that:
12	(1) derive from the state's technological
13	strengths;
14	(2) provide a commercial advantage;
15	(3) lend themselves to a distributed
16	technology-based industry network; and
17	(4) use imaginative state, federal and private
18	<u>partnerships;</u>
19	F. attain sufficient levels of human, financial and
20	physical resources to support in-state industries and attract
21	new industries to New Mexico;
22	G. support New Mexico-based efforts for research,
23	development, demonstration, deployment and commercialization of
24	clean energy technologies;
25	H. promote New Mexico as an exceptional location
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- I. recruit at international and national

 conferences and expositions companies that offer advanced

 energy technology products or services, contribute to the

 development of an advanced energy innovation ecosystem or will

 be critical components in an advanced energy circular economy;
- J. identify and disseminate information to help New Mexico-based ventures leverage federal and state opportunities for grants, tax credits and other sources of low-cost funding;
- K. work with a variety of clean energy entities to apply for federal grant and incentive programs;
- L. serve as an information hub and network for clean energy technology ventures in New Mexico looking to partner with other technology ventures;
- M. serve as a network to link ideas and innovations to the marketplace;
- N. host an annual New Mexico clean energy

 technology forum to bring companies, academia and national

 laboratories together to showcase existing companies and the

 work of national laboratories and research universities in New

 Mexico;
- O. identify market gaps in supply and demand for clean energy technologies, supplies or related needs; and
- P. make proposals to the legislature for additional .225200.3

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SECTION 15. Section 9-15-17 NMSA 1978 (being Laws 1991, Chapter 21, Section 22) is amended to read:

"9-15-17. DIRECTOR--DUTIES.--The director of the [technology enterprise] science, technology and advanced energy division is responsible for the overall supervision of the division in accordance with the provisions of Section 9-15-16 NMSA 1978. In addition, the director shall:

- A. formulate and submit to the commission a fiveyear state technology development plan;
- B. develop and be responsible for the operating and capital budgets of the division;
- C. develop agreements with federal research, development, testing and evaluating organizations and universities to facilitate the transfer and commercialization of technology;
- D. recommend to the secretary proposed projects and contracts in accordance with the policies, procedures and guidelines established by the department;
- E. subject to the approval of the secretary, apply for and accept any federal funds or grants and private donations;
- F. develop requests for proposals in technology commercialization areas given priority by the commission in the state's economic development and tourism plan; receive and .225200.3

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refer with commentary to the secretary proposals submitted in response to requests for proposals; confer with research investigators to assist them when needed; monitor progress on state-funded research and development projects; maintain contact with research and development offices of the universities, federal laboratories and private research operations; and receive reports of individual projects;

- G. prepare an annual report on:
- the status of the [technology enterprise] science, technology and advanced energy division;
- (2) the status of ongoing research and development projects;
- the results obtained from completed projects and the dissemination of those results; and
 - other activities of the division; (4)
- Η. maintain and update records on the status of all completed and ongoing projects;
- request from each entity under contract with the division a detailed description of tasks and associated budgets for review and approval by the commission; and
- perform such other duties as are assigned to J. [him] the director by the secretary in order to further the purposes of Section 9-15-17 NMSA 1978."
- SECTION 16. Section 9-15-18 NMSA 1978 (being Laws 1991, Chapter 21, Section 23) is amended to read: .225200.3

"9-15-18. PROPRIETARY INFORMATION.--

A. Any information obtained by the [technology enterprise] science, technology and advanced energy division that is deemed by the director to be proprietary technical or business information shall be held in confidence. Proprietary technical or business information shall not be deemed a public record under the Public Records Act or be open to inspection under Section 14-2-1 NMSA 1978. The [technology enterprise] science, technology and advanced energy division shall take such steps as are necessary to safeguard the confidentiality of the information.

B. Notwithstanding Sections 10-15-1 through 10-15-4 NMSA 1978 or any other law requiring meetings of public bodies to be open to the public, meetings of the commission shall be closed when proprietary technical or business information is discussed."

SECTION 17. Section 9-15-58 NMSA 1978 (being Laws 2021, Chapter 42, Section 1) is amended to read:

"9-15-58. SUSTAINABLE ECONOMY TASK FORCE--CREATED-STAFF.--

- A. The "sustainable economy task force" is created and is administratively attached to the economic development department. The task force consists of the following voting members as follows:
- (1) the commissioner of public lands or the .225200.3

1	commissioner's designee;
2	(2) the secretary of economic development or
3	the secretary's designee;
4	(3) the secretary of finance and
5	administration or the secretary's designee;
6	(4) the secretary of taxation and revenue or
7	the secretary's designee;
8	(5) the secretary of energy, minerals and
9	natural resources or the secretary's designee;
10	(6) the secretary of Indian affairs or the
11	secretary's designee;
12	(7) the secretary of workforce solutions or
13	the secretary's designee;
14	(8) the secretary of general services or the
15	secretary's designee;
16	(9) the secretary of higher education or the
17	secretary's designee;
18	(10) the secretary of public education or the
19	secretary's designee;
20	(ll) the secretary of environment or the
21	secretary's designee;
22	(12) the state investment officer or the state
23	investment officer's designee; and
24	(13) the chair of the sustainable economy
25	advisory council.
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- В. The chair of the task force shall be the secretary of economic development or the secretary's designee, and the vice chair of the task force shall be the member serving as the chair of the sustainable economy advisory The task force shall meet at the call of the chair.
- The "sustainable economy advisory council" is C. created and is administratively attached to the economic development department. The advisory council shall advise the sustainable economy task force and the director of the economic transition division of the department on developing and achieving the goals of the strategic plan provided in Section [2 of this 2021 act] 9-15-59 NMSA 1978. The advisory council shall consist of the following members:
- one representative of local governments, (1) appointed by the chair of the task force;
- [two] three representatives of disproportionately impacted communities or organizations with experience working with disproportionately impacted communities, appointed by the chair of the task force;
- two representatives of organizations with experience in sustainable economic development planning and workforce development, appointed by the chair of the task force:
- (4) one representative from industry and business sectors involved in achieving or that may be affected .225200.3

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bу	the	goals	of	the	susta	inable	economy	task	force,	appointed
bу	the	chair	of	the	task	force;	[and]			

- eight representatives of tribal (5) governments or entities, appointed by the Indian affairs department;
- (6) one representative of organizations that operate registered apprenticeship programs, appointed by the chair of the task force in consultation with the current members of the task force;
- (7) two representatives of worker organizations representing workers in communities in transition as defined in Paragraph (1) of Subsection B of Section 18 of this 2023 act, appointed by the chair of the task force in consultation with the current members of the task force; and
- (8) two representatives of higher education workforce development programs, appointed by the chair of the task force in consultation with the current members of the task force.
- D. The chair of the advisory council shall be elected by the members of the advisory council.
- E. Members of the task force and advisory council may receive per diem and mileage pursuant to the Per Diem and Mileage Act.
- The economic development department shall provide the necessary staff and administrative support to the .225200.3

task force.

G. As used in this section, "disproportionately impacted community" means a community or population of people for which multiple burdens, including environmental and socioeconomic stressors, inequity, poverty, high unemployment, pollution or discrimination, may act to persistently and negatively affect the health, well-being and environment of the community or population and includes tribal communities, communities of color and low-income rural communities and native people, people of color, women, immigrants, youth, formerly incarcerated people, lesbian, gay, bisexual, transgender and queer people and people with disabilities."

SECTION 18. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] ECONOMIC TRANSITION DIVISION--DUTIES.--

- A. The economic transition division of the department shall:
- (1) provide programmatic support to fulfill recommendations of the sustainable economy task force for communities in transition and workers in transition and implement the recommendations of the New Mexico clean energy workforce development study commissioned by the workforce solutions department and published in June 2020;
- (2) support the economic transition of disproportionately impacted communities, communities in .225200.3

transition and workers in transition from natural resource extraction industries;

- (3) identify public and private funding sources to support disproportionately impacted communities, communities in transition and workers in transition;
- (4) coordinate state agencies and coordinate with the federal government in the economic transition of disproportionately impacted communities, communities in transition and workers in transition;
- (5) provide administrative, logistical, research and policy support to the sustainable economy task force and the sustainable economy advisory council;
- (6) administer the economic transition fund and provide grants, loans and other financial assistance for economic transition projects and eligible entities to support disproportionately impacted communities, communities in transition and workers in transition;
- (7) provide technical assistance to disproportionately impacted communities and communities in transition to identify funding streams; and
- (8) receive and report on state, federal and other funding.
 - B. As used in this section:
- (1) "community in transition" means a municipality, county, region or Indian nation, tribe or pueblo .225200.3

that faces historic, current or future significant economic disruption due to the transition from dependency on or market fluctuations in natural resource extractive industries or the closing of an electric generation facility;

- means a community or population of people for which multiple burdens, including environmental and socioeconomic stressors, inequity, poverty, high unemployment, pollution or discrimination, may act to persistently and negatively affect the health, well-being and environment of the community or population and includes tribal communities, communities of color and low-income rural communities and native people, people of color, women, immigrants, youth, formerly incarcerated people, lesbian, gay, bisexual, transgender and queer people and people with disabilities;
- (3) "economic transition" means the economic, social, health and environmental conditions of workers and communities that are impacted by significant job loss or the loss of one or more industries on which a community depends;
- (4) "economic transition project" means a project that improves the physical and social infrastructure of communities in transition, provides support to workers in transition, ensures health and safety standards in fossil fuel and emerging industries or promotes economic and workforce development opportunities in non-extractive industries;

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(5) "eligible entity" means a county,
municipality or other political subdivision of the state; an
Indian nation, tribe or pueblo or tribal entity; a state
agency; an apprenticeship program registered with the state of
New Mexico or the United States department of labor; a preapprenticeship program; an integrated education and training
program; a public post-secondary educational institution; or a
public or private nonprofit organization or association; and

(6) "worker in transition" means an individual who has lost or is likely to lose work, employment or income due to changes in market fluctuations, industry downsizing or the phaseout of an extractive industry."

SECTION 19. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] ECONOMIC TRANSITION ACTION PLAN. --

A. On or before December 31, 2024, the economic transition division, in consultation with the sustainable economy task force and the sustainable economy advisory council, shall prepare and publish an economic transition action plan. The plan shall be transmitted to the governor, the secretary, the chair and vice chair of the legislative finance committee and the library of the legislative council service.

- B. The economic transition action plan shall:
 - (1) provide data about the status of New

Mexico's natural resource extractive industries, including economic, environmental and demographic trends affecting disproportionately impacted communities, communities in transition and workers in transition;

- (2) provide a cost projection for the long-term implementation of the economic transition action plan and the economic transition fund;
- (3) identify potential sources of funding that may be accessed from federal, state, local and other sources without additional legislative authority or approval;
- (4) develop guidelines and criteria for a grant and loan program, technical support and other programmatic support for disproportionately impacted communities, communities in transition, workers in transition and eligible entities to help workers in transition build new skills, find new jobs or start businesses and identify strategies appropriate to the strengths and assets of each community;
- grant and loan program, technical support and other programmatic support for disproportionately impacted communities, communities in transition, workers in transition and eligible entities to develop programs that will create new jobs, promote healthy and sustainable communities and support workforce and community development in non-extractive .225200.3

businesses and industries;

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- (6) work with the workforce solutions department to recommend benefits for workers in transition, recommend rapid response and peer support programs for workers in transition and expand the services provided by the workforce connections offices in communities in transition;
- promote and enforce health and safety (7) standards and guidelines outlined by the federal occupational safety and health administration for extractive industries and emerging industries; and
 - include policy recommendations.
- In preparing the economic transition plan, the economic transition division shall:
- require community feedback and public (1) engagement;
- focus on rural areas, disproportionately (2) impacted communities and communities in transition; and
- (3) include opportunities for virtual participation."
- SECTION 20. A new section of the Economic Development Department Act is enacted to read:
- "[NEW MATERIAL] ECONOMIC TRANSITION FUND CREATED--ANNUAL REPORT. --
- The "economic transition fund" is created in the state treasury. The fund consists of appropriations, payments .225200.3

of principal and interest on loans made from the fund, income from investment of the fund and any other money distributed or otherwise allocated to the fund. The economic transition division of the department shall administer the fund. Balances in the fund at the end of any fiscal year shall not revert to the general fund.

- B. Money in the economic transition fund may be used to provide grants and loans for financing workforce development, apprenticeship programs, training programs, economic transition projects and economic support programs approved by the secretary. As used in this subsection, "economic support programs" means programs that provide financial assistance to workers in transition, regardless of immigration status, to offset changes in income and to participate in job training and readiness programs, including expanded unemployment benefits, supplemental income, monetary incentives, relocation assistance, child care stipends and other grants and loans.
- C. Money in the economic transition fund may be used pursuant to Subsection B of this section only for grants or loans to an eligible entity.
- D. Money in the economic transition fund may be used for administrative and reimbursable costs incurred by the department subject to the legislative appropriation process.
- E. Disbursements from the economic transition fund .225200.3

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shall be made by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of economic development or the secretary's authorized representative.

- F. By December 1, 2023, and by December 1 of each year thereafter, the secretary shall provide a report to the governor and the library of the legislative council service regarding:
- (1) grants and loans approved by the secretary pursuant to Subsection B of this section;
- (2) the status of repayment obligations for loans made pursuant to Subsection B of this section;
- money used for administrative and reimbursable costs pursuant to Subsection D of this section; and
- the status of the economic transition (4) fund."

SECTION 21. Section 13-1-98 NMSA 1978 (being Laws 1984, Chapter 65, Section 71, as amended by Laws 2019, Chapter 48, Section 13 and by Laws 2019, Chapter 63, Section 1) is amended to read:

- "13-1-98. EXEMPTIONS FROM THE PROCUREMENT CODE.--The provisions of the Procurement Code shall not apply to:
- procurement of items of tangible personal property or services by a state agency or a local public body .225200.3

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from a state agency, a local public body or external procurement unit except as otherwise provided in Sections 13-1-135 through 13-1-137 NMSA 1978;

- B. procurement of tangible personal property or services for the governor's mansion and grounds;
- C. printing and duplicating contracts involving materials that are required to be filed in connection with proceedings before administrative agencies or state or federal courts;
- purchases of publicly provided or publicly regulated gas, electricity, water, sewer and refuse collection services;
- purchases of books, periodicals and training materials in printed or electronic format from the publishers or copyright holders thereof and purchases of print, digital or electronic format library materials by public, school and state libraries for access by the public;
- travel or shipping by common carrier or by private conveyance or to meals and lodging;
- purchase of livestock at auction rings or to the procurement of animals to be used for research and experimentation or exhibit;
- contracts with businesses for public school Η. transportation services;
- I. procurement of tangible personal property or .225200.3

services, as defined by Sections 13-1-87 and 13-1-93 NMSA 1978, by the corrections industries division of the corrections department pursuant to rules adopted by the corrections industries commission, which shall be reviewed by the purchasing division of the general services department prior to adoption;

- J. purchases not exceeding ten thousand dollars (\$10,000) consisting of magazine subscriptions, web-based or electronic subscriptions, conference registration fees and other similar purchases where prepayments are required;
- K. municipalities having adopted home rule charters and having enacted their own purchasing ordinances;
- L. the issuance, sale and delivery of public securities pursuant to the applicable authorizing statute, with the exception of bond attorneys and general financial consultants;
- M. contracts entered into by a local public body with a private independent contractor for the operation, or provision and operation, of a jail pursuant to Sections 33-3-26 and 33-3-27 NMSA 1978;
- N. contracts for maintenance of grounds and facilities at highway rest stops and other employment opportunities, excluding those intended for the direct care and support of persons with handicaps, entered into by state agencies with private, nonprofit, independent contractors who .225200.3

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provide services to persons with handicaps;

- O. contracts and expenditures for services or items of tangible personal property to be paid or compensated by money or other property transferred to New Mexico law enforcement agencies by the United States department of justice drug enforcement administration;
- Р. contracts for retirement and other benefits pursuant to Sections 22-11-47 through 22-11-52 NMSA 1978;
 - contracts with professional entertainers;
- contracts and expenditures for legal subscription and research services and litigation expenses in connection with proceedings before administrative agencies or state or federal courts, including experts, mediators, court reporters, process servers and witness fees, but not including attorney contracts;
- contracts for service relating to the design, engineering, financing, construction and acquisition of public improvements undertaken in improvement districts pursuant to Subsection L of Section 3-33-14.1 NMSA 1978 and in county improvement districts pursuant to Subsection L of Section 4-55A-12.1 NMSA 1978;
- T. works of art for museums or for display in public buildings or places;
- contracts entered into by a local public body with a person, firm, organization, corporation or association .225200.3

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or a state educational institution named in Article 12, Section ll of the constitution of New Mexico for the operation and maintenance of a hospital pursuant to Chapter 3, Article 44 NMSA 1978, lease or operation of a county hospital pursuant to the Hospital Funding Act or operation and maintenance of a hospital pursuant to the Special Hospital District Act;

- ٧. purchases of advertising in all media, including radio, television, print and electronic;
- purchases of promotional goods intended for resale by the tourism department;
- procurement of printing, publishing and distribution services for materials produced and intended for resale by the cultural affairs department;
- Υ. procurement by or through the public education department from the federal department of education relating to parent training and information centers designed to increase parent participation, projects and initiatives designed to improve outcomes for students with disabilities and other projects and initiatives relating to the administration of improvement strategy programs pursuant to the federal Individuals with Disabilities Education Act; provided that the exemption applies only to procurement of services not to exceed two hundred thousand dollars (\$200,000);
- Z. procurement of services from community rehabilitation programs or qualified individuals pursuant to .225200.3

the State Use Act;

AA. purchases of products or services for eligible persons with disabilities pursuant to the federal Rehabilitation Act of 1973;

BB. procurement, by either the department of health or Grant county or both, of tangible personal property, services or construction that are exempt from the Procurement Code pursuant to Section 9-7-6.5 NMSA 1978;

CC. contracts for investment advisory services, investment management services or other investment-related services entered into by the educational retirement board, the state investment officer or the retirement board created pursuant to the Public Employees Retirement Act;

DD. the purchase for resale by the state fair commission of feed and other items necessary for the upkeep of livestock;

EE. contracts entered into by the crime victims reparation commission to distribute federal grants to assist victims of crime, including grants from the federal Victims of Crime Act of 1984 and the federal Violence Against Women Act of 1994;

FF. procurement by or through the early childhood education and care department of early pre-kindergarten and pre-kindergarten services purchased pursuant to the Pre-Kindergarten Act;

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1	GG. procurement of services of commissioned
2	advertising sales representatives for New Mexico magazine;
3	[and]
4	HH. agreements and contracts entered into pursuant
5	to the Advanced Energy Technology Act; and
6	[HH.] II. procurements exempt from the Procurement
7	Code as otherwise provided by law."
8	SECTION 22. Section 21-11-8.6 NMSA 1978 (being Laws 2013)
9	Chapter 130, Section 1) is amended to read:
10	"21-11-8.6. TECHNOLOGY RESEARCH COLLABORATIVE CREATED
11	PURPOSE
12	A. The "technology research collaborative" is
13	created. The New Mexico institute of mining and technology
14	shall be the fiscal agent for the collaborative.
15	B. Participating institutions associated with the
16	collaborative shall include national laboratories, other major
17	research institutes and all of the post-secondary educational
18	institutions in New Mexico.
19	C. The purpose of the collaborative is to:
20	(1) establish advanced technology centers
21	based on the wealth of scientific and technical talent that
22	exists in the member institutions;
23	(2) develop and create new intellectual
24	property for the state, encourage new opportunities for
25	business and increase the number of jobs;
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- (3) commercialize the intellectual property that is created: and
- (4) create a [work force] workforce to support enterprises based on the intellectual property that is created.
- D. Intellectual property created by an employee or agent of an institution associated with the collaborative shall be owned by that institution. Intellectual property created jointly by the collaborative and an institution shall be owned jointly by those entities. If the intellectual property is created using federal funds, the applicable federal laws and regulations shall govern the ownership.
- E. The collaborative may receive appropriations from the legislature through the board of regents of the New Mexico institute of mining and technology and may receive any other items of value from public or private sources.
- F. The "board of the technology research collaborative" is created. The board shall consist of eleven members as follows:
- (1) the governor or the governor's designee, who shall chair the collaborative;
- (2) the presidents, or their designees, of the university of New Mexico, New Mexico state university and the New Mexico institute of mining and technology;
- (3) five members at large, appointed by the governor with the consent of the senate;

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1	(4) the director of Sandia national			
2	laboratories or the director's designee; [and]			
3	(5) the director of Los Alamos national			
4	laboratory or the director's designee;			
5	(6) the secretary of energy, minerals and			
6	natural resources or the secretary's designee who works with			
7	advanced energy technology projects for that department;			
8	(7) the secretary of environment or the			
9	secretary's designee who works with advanced energy technology			
10	projects for that department;			
11	(8) the chief executive officer of the New			
12	Mexico finance authority or the chief executive officer's			
13	designee;			
14	(9) two tribal representatives, one from the			
15	Navajo Nation, Jicarilla Apache Nation or Mescalero Apache			
16	Nation, and one from a pueblo;			
17	(10) an individual with experience in the			
18	development and related engineering of advanced energy			
19	technology projects;			
20	(ll) an individual with experience in the			
21	technology and analysis of reductions in greenhouse gas			
22	emissions; and			
23	(12) a representative of a statewide economic			
24	development organization.			
25	G. Appointed members shall serve for two-year terms			
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at the pleasure of the governor. Members shall serve until their successors have been appointed. The governor may fill any vacancy on the board for the remainder of an unexpired term.

- The board may elect officers as it deems necessary to carry out its duties. A majority of the members of the board shall constitute a quorum for the transaction of business, and the board shall meet four times per year. members shall not vote by proxy.
- Public members of the board shall receive per diem and mileage pursuant to the Per Diem and Mileage Act and shall receive no other compensation, perquisite or allowance.

J. The board shall:

- employ a director and other staff, who (1) shall be exempt from the provisions of the Personnel Act, as the board deems necessary to provide continuity and management of the collaborative; and
- (2) prepare annual reports to the legislature on the expenditures and progress of the collaborative."
- SECTION 23. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.