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HOUSE BILL 237

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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AN ACT

RELATING TO THE ENVIRONMENT; ENACTING THE CLIMATE, ENERGY AND WATER AUTHORITY ACT; CREATING THE CLIMATE, ENERGY AND WATER AUTHORITY; PROVIDING THE POWERS AND DUTIES OF THE AUTHORITY; ESTABLISHING A DECARBONIZATION TECHNOLOGY PROGRAM; CREATING THE CLIMATE, ENERGY AND WATER PROJECT FUND; MAKING APPROPRIATIONS.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Climate, Energy and Water Authority Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Climate, Energy and Water Authority Act:

- A. "authority" means the climate, energy and water authority;
- B. "board" means the board of the authority; and
- C. "eligible entity" means the state or an agency

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1 or institution of the state or a county, a municipality, a
2 school district, a public post-secondary educational
3 institution, an acequia association, a public improvement
4 district, a special water, drainage, irrigation or conservancy
5 district or other special district created pursuant to law, an
6 Indian nation, tribe or pueblo located wholly or partially in
7 New Mexico, including a political subdivision or a wholly owned
8 enterprise of an Indian nation, tribe or pueblo or a consortium
9 of those Indian entities or a consortium of any two or more
10 qualified entities created pursuant to law.

11 SECTION 3. [NEW MATERIAL] CLIMATE, ENERGY AND WATER
12 AUTHORITY CREATED--QUORUM--EXECUTIVE DIRECTOR--MEETINGS--
13 COMPENSATION.--

14 A. The "climate, energy and water authority" is
15 created and is administratively attached to the economic
16 development department.

17 B. The authority shall be governed by a board
18 consisting of fifteen members as follows:

19 (1) seven ex-officio voting members from state
20 agencies:

21 (a) the secretary of environment or the
22 secretary's designee;

23 (b) the secretary of energy, minerals
24 and natural resources or the secretary's designee;

25 (c) the secretary of economic

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1 development or the secretary's designee;

2 (d) the secretary of transportation or
3 the secretary's designee;

4 (e) the governor's chief of staff or the
5 governor's chief of staff's designee;

6 (f) the secretary of finance and
7 administration or the secretary's designee; and

8 (g) the secretary of Indian affairs or
9 the secretary's designee;

10 (2) six voting members with expertise in
11 climate, energy or water appointed by the governor from a list
12 of nominees submitted to the governor jointly by the president
13 pro tempore of the senate and the speaker of the house of
14 representatives:

15 (a) one representative from a public
16 higher education institution;

17 (b) one representative from an Indian
18 nation, tribe or pueblo;

19 (c) two representatives, each of whom
20 represent a different national laboratory; and

21 (d) two representatives from the private
22 sector; and

23 (3) two ex-officio nonvoting members:

24 (a) the executive director of the New
25 Mexico renewable energy transmission authority or the executive

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1 director's designee; and

2 (b) the chair of the public regulation
3 commission or the chair's designee.

4 C. The appointed board members shall serve four-
5 year terms at the pleasure of the governor. The governor shall
6 fill vacancies by appointment for the remainder of an unexpired
7 term within thirty days of a vacancy. A board member shall be
8 eligible for reappointment. The governor shall select three of
9 the voting members initially appointed to serve an initial term
10 of two years; thereafter, the appointments will be for
11 staggered terms of four years.

12 D. The board members shall designate a member of
13 the board to serve as chair, and the board may elect annually
14 other officers as the board deems necessary.

15 E. The board may delegate to one or more of its
16 members, officers, employees or agents powers and duties as the
17 board deems proper and consistent with the Climate, Energy and
18 Water Authority Act.

19 F. The board shall appoint an executive director
20 and fill a vacancy in that position. The executive director
21 shall direct the affairs and business of the authority, subject
22 to the policies, control and direction of the board. The
23 executive director shall:

24 (1) employ the staff necessary for the
25 performance of the authority's powers and duties, including

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1 consultants, financial advisors and legal advisors;

2 (2) prescribe the powers and duties and fix
3 the compensation of employees and consultants; and

4 (3) inform the governor and the governor's
5 chief of staff about issues impacting the authority and issues
6 requiring coordination and support from other state agencies.

7 G. The board shall meet at least once a month and
8 at the call of the chair. A majority of voting board members
9 constitutes a quorum for the transaction of business. The
10 affirmative vote of at least a majority of a quorum present
11 shall be necessary for an action to be taken by the board.

12 H. Appointed board members may receive per diem and
13 mileage for in-person attendance of a meeting or per diem for
14 virtual attendance of a meeting as provided for nonsalaried
15 public officers in the Per Diem and Mileage Act but shall
16 receive no other compensation, perquisite or allowance.

17 SECTION 4. [NEW MATERIAL] AUTHORITY--DUTIES AND POWERS.--

18 A. The authority shall:

19 (1) serve as project permitting navigators for
20 climate, energy and water projects;

21 (2) identify site-ready and brownfield
22 locations for climate, energy and water projects;

23 (3) provide recommendations to the governor
24 and the legislature for the streamlining of permitting for
25 climate, energy and water projects;

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1 (4) work with international, regional and
2 national entities on climate, energy and water technology and
3 economics;

4 (5) coordinate with industry and workforce
5 organizations, educational and post-secondary educational
6 institutions and the workforce solutions department to ensure a
7 trained workforce in the state;

8 (6) engage directly with Indian nations,
9 tribes and pueblos on energy partnerships, including serving as
10 a resource for grant opportunities, workforce development and
11 industry relationships;

12 (7) identify and facilitate partnerships for
13 entities in the state to apply for competitive federal grant
14 opportunities relating to climate, energy and water technology,
15 hubs and economics;

16 (8) establish guidelines and rules for
17 programs and grants for clean energy, water and energy
18 conservation technology pilot and demonstration projects;

19 (9) maintain records and accounts of revenues
20 and expenditures as required by the state auditor. The state
21 auditor shall conduct an annual financial and legal compliance
22 audit of the accounts of the authority and file copies with the
23 governor and the legislature;

24 (10) develop a two-year strategic plan and
25 submit the plan to the economic development department before

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1 August 1 of each year;

2 (11) gather, centralize and disseminate
3 information on climate, energy and water technology and
4 entities working in those sectors; and

5 (12) create programs to support the
6 decarbonization of New Mexico industry, electricity generation,
7 transportation, agriculture and buildings.

8 B. The authority may:

9 (1) adopt rules to carry out the purposes of
10 the Climate, Energy and Water Authority Act, including rules
11 for a decarbonization technology program;

12 (2) make, enter into and enforce contracts,
13 agreements and other instruments necessary, convenient or
14 desirable in the exercise of the authority's powers and
15 functions and for the purposes of the Climate, Energy and Water
16 Authority Act;

17 (3) enter into agreements to share employees
18 with the department of environment, the energy, minerals and
19 natural resources department and the workforce solutions
20 department; and

21 (4) do anything necessary to carry out the
22 authority's purposes and exercise the powers in the Climate,
23 Energy and Water Authority Act.

24 SECTION 5. [NEW MATERIAL] DECARBONIZATION TECHNOLOGY
25 PROGRAM.--The authority shall establish a decarbonization

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1 technology program to:

2 A. recruit climate, energy and water technology
3 companies to the state;

4 B. coordinate and link pilot and demonstration
5 projects to existing entities in the state;

6 C. promote technology transfer, commercialization
7 and research and development of climate, energy and water
8 technology in the state;

9 D. develop and implement tools and incentives to
10 facilitate decarbonization efforts;

11 E. make recommendations for policy and statutory
12 changes; and

13 F. establish a carbon concierge program to connect
14 suppliers, offtakers and carbon-emitting sectors to new
15 technologies.

16 SECTION 6. [NEW MATERIAL] CLIMATE, ENERGY AND WATER
17 PROJECT FUND--CREATED.--

18 A. The "climate, energy and water project fund" is
19 created as a nonreverting fund in the authority. The fund
20 consists of appropriations, gifts, grants, fees, distributions,
21 donations and income from investment of the fund. Money in the
22 fund shall be expended upon warrant of the secretary of finance
23 and administration pursuant to vouchers signed by the executive
24 director of the authority or the executive director's
25 authorized representative. The authority shall administer the

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1 fund, and money in the fund is appropriated to the authority to
2 make grants to an eligible entity for:

3 (1) state matching funds for federal grants
4 for clean energy projects;

5 (2) pilot and demonstration projects for clean
6 energy, water and energy conservation technologies; and

7 (3) studies and research concerning the
8 development of clean energy and energy conservation.

9 B. Any unexpended or unencumbered balance in the
10 fund at the end of a fiscal year shall not revert to the
11 general fund and shall remain in the fund.

12 SECTION 7. APPROPRIATIONS.--

13 A. Ten million dollars (\$10,000,000) is
14 appropriated from the general fund to the climate, energy and
15 water project fund for expenditure in fiscal year 2025 and
16 subsequent fiscal years for the purposes of the fund. Any
17 unexpended or unencumbered balance remaining at the end of a
18 fiscal year shall not revert to the general fund.

19 B. Five million dollars (\$5,000,000) is
20 appropriated from the general fund to the climate, energy and
21 water authority for expenditure in fiscal year 2025 to carry
22 out the purposes of the Climate, Energy and Water Authority
23 Act. Any unexpended or unencumbered balance remaining at the
24 end of fiscal year 2025 shall revert to the general fund.