

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-____ Community Solar HB 111

SPONSOR(S): Councilors Maestas and Ives

SUMMARY: The proposed resolution is in support of proposed State Legislation, House Bill 111 ("HB 111"), relating to utilities -- providing for shared renewable energy facilities to qualify as distributed generation facilities; requiring investor-owned utilities to allow construction, connection and operation of renewable energy facilities within their operating territories.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: January 22, 2015

ATTACHMENTS: Resolution
FIR
House Bill 111

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2015-_____**

3 **INTRODUCED BY:**

4
5 Councilor Joseph Maestas

6 Councilor Peter Ives

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9
10 **A RESOLUTION**

11 **SUPPORTING PROPOSED STATE LEGISLATION, HOUSE BILL 111 (“HB 111”),**
12 **RELATING TO UTILITIES -- PROVIDING FOR SHARED RENEWABLE ENERGY**
13 **FACILITIES TO QUALIFY AS DISTRIBUTED GENERATION FACILITIES; REQUIRING**
14 **INVESTOR-OWNED UTILITIES TO ALLOW CONSTRUCTION, CONNECTION AND**
15 **OPERATION OF RENEWABLE ENERGY FACILITIES WITHIN THEIR OPERATING**
16 **TERRITORIES.**

17
18 **WHEREAS**, the 60 day session of the 2015 Legislative Session began on January 20, 2015;

19 and

20 **WHEREAS**, HB 111, has been introduced for consideration by the 52nd Legislature - State of
21 New Mexico - First Session, 2015; and

22 **WHEREAS**, HB 111 would require public electric utilities to allow community solar
23 programs within their service territories; and

24 **WHEREAS**, solar systems installed on-site in the residential and commercial sectors
25 comprise only a part of the total market for solar energy systems; and

1 **WHEREAS**, clearly, community options are needed to expand access to solar power for
2 renters, affordable housing, low income populations, buildings with shaded roofs and those who
3 choose not to install a residential system on their home for financial or other reasons; and

4 **WHEREAS**, as a group, ratepayers and/ or taxpayers fund solar incentive programs and as a
5 matter of equity, solar energy programs should be designed in a manner that allows all contributors to
6 participate; and

7 **WHEREAS**, the secondary goals met by many community solar projects include:

- 8 • Improved economies of scale
- 9 • Increased public understanding of solar energy
- 10 • Generation of local jobs
- 11 • Reduction of greenhouse gas emissions and other environmental benefits

12 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
13 **CITY OF SANTA FE** that the Governing Body hereby supports HB 111, relating to utilities --
14 providing for shared renewable energy facilities to qualify as distributed generation facilities;
15 requiring investor-owned utilities to allow construction, connection and operation of renewable
16 energy facilities within their operating territories.

17 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
18 resolution to the City of Santa Fe lobbyist and the City of Santa Fe State Legislative Delegation.

19 PASSED, APPROVED, and ADOPTED this ___ day of _____, 2015.

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22 ATTEST:

JAVIER M. GONZALES, MAYOR

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25 _____
YOLANDA Y. VIGIL, CITY CLERK

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APPROVED AS TO FORM:


KELLEY BRENNAN, CITY ATTORNEY

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): A RESOLUTION SUPPORTING PROPOSED STATE LEGISLATION, HOUSE BILL 111 ("HB 111"), RELATING TO UTILITIES -- PROVIDING FOR SHARED RENEWABLE ENERGY FACILITIES TO QUALIFY AS DISTRIBUTED GENERATION FACILITIES; REQUIRING INVESTOR-OWNED UTILITIES TO ALLOW CONSTRUCTION, CONNECTION AND OPERATION OF RENEWABLE ENERGY FACILITIES WITHIN THEIR OPERATING TERRITORIES.

Sponsor(s): Councilors Maestas and Ives
Reviewing Department(s): City Attorney's Office
Persons Completing FIR: Rebecca Seligman / John Alejandro Date: 1/21/15 Phone: 955-6501 / 955-6236

Reviewed by City Attorney: Kelly A. Brennan Date: 1/22/15
(Signature)

Reviewed by Finance Director: [Signature] Date: 1-22-2015
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

The resolution supports proposed state legislation of House Bill 111 (HB 111) which relates to utilities. It would provide for shared renewable energy facilities to qualify as distributed generation facilities. It would further require investor-owned utilities to allow construction, connection and operation of renewable energy facilities within their operating territories.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: _____

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

N/A

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None staff is aware of

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

If this resolution is not enacted, the City of Santa Fe would not show its support for HB 111

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

No

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

By supporting HB 111, we are stating an interest in shared renewable energy that would benefit the residents of Santa Fe because it would enable the development and deployment of shared renewable energy in our community.

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HOUSE BILL 111

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO UTILITIES; PROVIDING FOR SHARED RENEWABLE ENERGY FACILITIES TO QUALIFY AS DISTRIBUTED GENERATION FACILITIES; REQUIRING INVESTOR-OWNED UTILITIES TO ALLOW CONSTRUCTION, CONNECTION AND OPERATION OF SHARED RENEWABLE ENERGY FACILITIES WITHIN THEIR OPERATING TERRITORIES.

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

SECTION 1. [NEW MATERIAL] FINDINGS AND PURPOSE.--

A. The legislature finds that:

(1) individuals should be able to obtain electricity from local, renewable energy distributed generation facilities, regardless of differences in income, owner or renter status or specific locale;

(2) local communities benefit from the deployment of renewable energy, including shared distributed

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[bracketed material] = delete

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~~[bracketed material]~~ = delete

1 generation facilities; and

2 (3) it is in the public interest to allow
3 broad participation in renewable energy distributed generation
4 facilities, including shared renewable energy facilities, by
5 New Mexico residents.

6 B. It is the purpose of this 2015 act that the
7 legislature enable the development and deployment of shared
8 renewable energy facilities for the following purposes:

9 (1) to allow renters and low- to
10 moderate-income retail electric customers to own interests in
11 shared renewable energy facilities;

12 (2) to allow interests in shared renewable
13 energy facilities to be portable and transferable;

14 (3) to facilitate market entry for all
15 potential subscribers, while prioritizing those persons most
16 sensitive to market barriers; and

17 (4) to encourage developers to allow
18 participation by renters and low- to moderate-income retail
19 electric customers.

20 SECTION 2. Section 62-13-13.1 NMSA 1978 (being Laws 2010,
21 Chapter 102, Section 1 and Laws 2010, Chapter 103, Section 1)
22 is amended to read:

23 "62-13-13.1. RENEWABLE ENERGY DISTRIBUTED GENERATION
24 FACILITIES--OWNERS AND OPERATORS NOT PUBLIC UTILITIES.--

25 A. Notwithstanding any other provision of the

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1 Public Utility Act to the contrary, a person not otherwise a
2 public utility shall not be deemed to be a public utility
3 subject to the jurisdiction, control or regulation of the
4 commission and the provisions of the Public Utility Act solely
5 because the person owns or controls all or any part of any
6 renewable energy distributed generation facility that:

7 (1) is located on the host's site or is a
8 shared renewable energy facility;

9 (2) produces electric energy used:

10 (a) at the host's site and sold to the
11 host or the host's tenants or employees located at the host's
12 site; or

13 (b) by customers who are shared
14 renewable energy subscribers; and

15 (3) shares a common point of connection with
16 the electric utility serving the area and the host or the
17 host's tenants and employees served by the renewable energy
18 distributed generation facility or, in the case of a shared
19 renewable energy facility, has a point of connection to the
20 electric utility serving the area, including the shared
21 renewable energy subscribers.

22 B. Nothing contained in this section shall be
23 interpreted to prohibit the sale of energy produced by the
24 renewable energy distributed generation facility to the
25 electric utility serving the area in which the renewable energy

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1 distributed generation facility is located.

2 C. The shared renewable energy facility may be
3 owned by a customer of a public utility or a third party. The
4 public utility may acquire renewable energy certificates from
5 the owner of the shared renewable energy facility or from a
6 third party at rates established in the utility's renewable
7 procurement plan.

8 [~~G.~~] D. As used in this section:

9 (1) "host" means the customer of a public
10 utility who uses the electric energy produced by a renewable
11 energy distributed generation facility and occupies the site
12 upon which the renewable energy distributed generation facility
13 is located;

14 (2) "renewable energy distributed generation
15 facility" means a facility that produces electric energy by the
16 use of renewable energy and that is sized to supply no more
17 than one hundred twenty percent of the average annual
18 consumption of electricity by the host at the site of the
19 renewable energy distributed generation facility or a facility
20 that is a shared renewable energy facility that is sized at no
21 more than ten megawatts alternating current in accordance with
22 applicable interconnection rules; [~~and~~]

23 (3) "shared renewable energy facility" means a
24 renewable energy distributed generation facility that provides
25 for the purchase of one or more subscription shares in the

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1 facility, entitling the purchaser to a percentage of the energy
2 generated by the facility;

3 (4) "shared renewable energy subscriber" means
4 a purchaser of a subscription share or shares who is a customer
5 of the public utility and receives net metering based on the
6 energy generated by that customer's subscription shares at one
7 or more physical locations to which the subscription is
8 attributed;

9 [~~3~~] (5) "site" means all the contiguous
10 property owned or leased by the host or the shared renewable
11 energy facility, without regard to interruptions in contiguity
12 caused by easements, public thoroughfares, transportation
13 rights of way or utility rights of way;

14 (6) "subscription" means a proportional
15 interest in a shared renewable energy facility. Each
16 subscription shall supply no more than one hundred twenty
17 percent of the average annual consumption of electricity by
18 each subscriber at the premises to which the subscription is
19 attributed; and

20 (7) "subscription share" means the unit of
21 purchase of interest in the energy generated by a shared
22 renewable energy facility."

23 SECTION 3. A new section of the Public Utility Act is
24 enacted to read:

25 "[NEW MATERIAL] INVESTOR-OWNED PUBLIC UTILITY--SHARED

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1 RENEWABLE ENERGY FACILITIES.--

2 A. An investor-owned public utility shall allow the
3 construction, connection and operation of a shared renewable
4 energy facility within its operating territory if the shared
5 renewable energy facility is five megawatts or less of
6 alternating current electricity at the point of connection to
7 the utility's distribution lines. A utility may limit the
8 total production of shared renewable energy facilities in its
9 territory to ten percent of annual retail sales or five percent
10 of annual peak demand after June 30, 2015, ten percent starting
11 in fiscal year 2018, fifteen percent starting in fiscal year
12 2021 and twenty percent starting in fiscal year 2024. The
13 commission may increase these limits if it is demonstrated that
14 higher limits do not impose technical problems. Such a
15 demonstration may be done by the utility, the commission or a
16 third party and shall show to the commission's satisfaction
17 that the addition of more renewable energy facilities of
18 specific types will not destabilize the particular circuits to
19 which they are proposed to be connected nor destabilize the
20 utility's grid as a whole. A utility may limit the customers
21 of a shared renewable energy facility to those in the same
22 county as the facility and those in geographically adjacent
23 counties.

24 B. An application for a shared renewable energy
25 facility in an investor-owned public utility shall include a

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1 proposed location for the facility. The investor-owned public
2 utility shall accept the proposed site unless the site is
3 unsuitable. Suitability shall be based solely on the ability
4 of the utility's lines to carry the output of the proposed
5 facility. If the proposed site is unsuitable, then the
6 investor-owned public utility shall propose another site as
7 close as possible to the proposed site. The investor-owned
8 public utility shall:

9 (1) exercise good faith in selecting an
10 alternative site that is similar to the proposed site in cost
11 and access to a distribution line with adequate capacity; and

12 (2) submit a document with a suitable
13 location to the commission and to the applicant for a shared
14 renewable energy facility within sixty days of the date of an
15 application for a facility to the utility.

16 C. Rural electric cooperatives are exempt from the
17 provisions of this section."

18 SECTION 4. A new section of the Rural Electric
19 Cooperative Act is enacted to read:

20 "[NEW MATERIAL] RURAL ELECTRIC COOPERATIVES--SHARED
21 RENEWABLE ENERGY FACILITIES.--Cooperatives may allow the
22 construction, connection and operation of shared renewable
23 energy facilities within their operating territories."

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