

1 SENATE BILL 142

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO THE GRID MODERNIZATION ROADMAP AND GRANT PROGRAM;
12 REQUIRING THE ENERGY, MINERALS AND NATURAL RESOURCES
13 DEPARTMENT, IN CONSULTATION WITH THE PUBLIC REGULATION
14 COMMISSION, TO DEVELOP A ROADMAP FOR GRID MODERNIZATION; ADDING
15 SCHOOL DISTRICTS AND CHARTER SCHOOLS AS ELIGIBLE LOCATIONS FOR
16 PROPOSED PROJECTS; AMENDING THE DEFINITION OF "GRID
17 MODERNIZATION"; MAKING APPROPRIATIONS.

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

20 SECTION 1. Section 71-11-1 NMSA 1978 (being Laws 2020,
21 Chapter 15, Section 1) is amended to read:

22 "71-11-1. GRID MODERNIZATION ROADMAP AND GRANT PROGRAM.--

23 A. The energy, minerals and natural resources
24 department, in consultation with the public regulation
25 commission, shall develop a roadmap for grid modernization that

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1 shall detail priorities and strategies to modernize New
2 Mexico's electric grid.

3 B. The department shall establish a grid
4 modernization grant program to support implementation of a
5 modern grid by providing grants to eligible projects proposed
6 by:

- 7 (1) municipalities and county governments;
- 8 (2) state agencies;
- 9 (3) state universities;
- 10 (4) public schools;
- 11 (5) post-secondary educational institutions;

12 and

- 13 (6) Indian nations, tribes and pueblos.

14 C. The department shall adopt rules establishing
15 the application procedure, the required qualifications for
16 projects and the purposes for which the grant may be used. In
17 approving grants, consideration shall be given to:

18 (1) the extent to which the project improves
19 electrical system efficiency, reliability, resilience and
20 security; lowers operations and maintenance costs; and meets
21 energy demands through a flexible, diversified and distributed
22 energy portfolio consistent with New Mexico's energy goals;

23 (2) the extent to which the project
24 incorporates a new technology or a new or innovative
25 application of an existing technology that will provide useful

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1 information to the state, utilities, electric cooperatives and
2 the general public related to grid modernization;

3 (3) the degree to which the project fosters
4 the general public's, students' or a specific government or
5 industry sector's overall understanding and appreciation of the
6 benefits of modernizing the electric grid;

7 (4) the extent to which the project
8 complements or coordinates with the resource planning of a
9 public utility as required by the Public Utility Act; ~~and~~

10 (5) the extent to which the project stimulates
11 in-state economic development, including the creation of jobs
12 and apprenticeships; and

13 (6) the speed of deployment of the project.

14 D. Grants shall be awarded on a competitive basis,
15 and priority shall be given to proposals that use matching
16 funds from non-state sources. The grant program shall seek to
17 fund applicants ~~[in each of the following categories]~~ from:

18 (1) ~~[an Indian nation, tribe or pueblo]~~ Indian
19 nations, tribes and pueblos;

20 (2) ~~[a rural community served by a rural~~
21 ~~electric cooperative]~~ rural communities served by rural
22 electric cooperatives;

23 (3) ~~[a rural community served by an investor-~~
24 ~~owned public utility]~~ rural communities served by investor-
25 owned public utilities;

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1 (4) ~~[an urban or semi-urban municipality or~~
2 ~~county; and]~~ urban or semi-urban municipalities and counties;

3 (5) ~~[an institution of higher education]~~
4 institutions of higher education; and

5 (6) school districts and charter schools.

6 E. Projects receiving a grant from the grid
7 modernization grant program shall be required to ~~[be~~
8 ~~coordinated]~~ coordinate with the electric service provider that
9 serves the entity in order to ensure that the program does not
10 adversely impact electrical system efficiency, reliability,
11 resilience and security. If no electric service connection
12 exists at the location of a proposed project, notice of the
13 project shall be given to the electric service provider in
14 whose territory the project is proposed to be located.

15 F. The department shall provide a report on the
16 grid modernization grant program to the legislative finance
17 committee prior to each regular legislative session. The
18 report shall include:

- 19 (1) a list of grant recipients;
20 (2) the amount and date of each grant;
21 (3) a description of each project funded; and
22 (4) a description of how each project
23 contributes to grid modernization and demonstrates increased
24 electric grid reliability, resilience and security; creates
25 economic benefits; or pilots or demonstrates new technologies

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1 or new implementations of existing technologies.

2 G. For the purposes of this section:

3 (1) "department" means the energy, minerals
4 and natural resources department; ~~[and]~~

5 (2) "grid modernization" means improvements to
6 electric distribution or transmission infrastructure, including
7 related data analytics equipment, that are designed to
8 accommodate or facilitate the integration of renewable electric
9 generation resources or net-zero carbon resources with the
10 electric distribution grid or to otherwise enhance electric
11 distribution or transmission grid reliability, grid security,
12 demand response capability, customer service or energy
13 efficiency or conservation and includes:

14 (a) advanced metering infrastructure
15 that facilitates metering and providing related price signals
16 to users to incentivize shifting demand;

17 (b) intelligent grid devices for ~~[real~~
18 ~~time]~~ real-time system and asset information at key substations
19 and large industrial customers;

20 (c) automated control systems for
21 electric distribution circuits and substations;

22 (d) communications networks for service
23 meters;

24 (e) distribution system hardening
25 projects for circuits and substations designed to reduce

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1 service outages or service restoration times;

2 (f) physical security measures at key
3 distribution substations;

4 (g) cybersecurity measures;

5 (h) energy storage systems and
6 microgrids that support circuit-level grid stability, power
7 quality, reliability or resiliency or provide temporary backup
8 energy supply;

9 (i) electrical facilities and
10 infrastructure necessary to support electric vehicle charging
11 systems;

12 (j) new customer information platforms
13 designed to provide improved customer access, greater service
14 options and expanded access to energy usage information; ~~and~~

15 (k) ~~[other new technologies that may be~~
16 ~~developed regarding the electric grid]~~ construction of
17 increased electric grid distribution capacity and transmission
18 grid infrastructure, including substations and the purchase of
19 high-capacity transmission lines, transformers and other
20 electric grid equipment; and

21 (1) enabling the application of
22 artificial intelligence to identify methane leaks and
23 opportunities to reduce or eliminate methane leaks; and

24 (3) "net-zero carbon resource" means an
25 electricity generation resource that emits no carbon dioxide

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1 into the atmosphere, or that reduces methane emitted into the
2 atmosphere in an amount equal to no less than one-tenth of the
3 tons of carbon dioxide emitted into the atmosphere, as a result
4 of electricity production."

5 SECTION 2. APPROPRIATIONS.--

6 A. One hundred thousand dollars (\$100,000) is
7 appropriated from the grid modernization grant fund to the
8 energy, minerals and natural resources department for
9 expenditure in fiscal years 2025 and 2026 for administration
10 costs incurred to carry out the provisions of Section 1 of this
11 act. Any unexpended or unencumbered balance remaining at the
12 end of fiscal year 2026 shall revert to the grid modernization
13 grant fund.

14 B. Two hundred thousand dollars (\$200,000) is
15 appropriated from the grid modernization grant fund to the
16 public regulation commission for expenditure in fiscal years
17 2025 and 2026 for administration costs incurred to carry out
18 the provisions of Section 1 of this act. Any unexpended or
19 unencumbered balance remaining at the end of fiscal year 2026
20 shall revert to the grid modernization grant fund.