

February 26, 2024

To Whom it May Concern:

**We are writing this letter to thank you for including solar and battery storage in the Climate Plan that is being developed for the CPRG Implementation Grant application.**

We attended the CPRG outreach session conducted via zoom on February 7th and were heartened to see the addition of renewable energy on public buildings added to the state's priority list. It is our understanding that the NM Prospera community engagement input survey that just concluded found that the #1 climate action supported by respondents was renewable energy deployment.

The Public Power New Mexico coalition has engaged with stakeholders, School Districts, Tribal Governments, and County and Municipal leaders from across the state over the past year to identify priorities and develop policy proposals that meet the energy and climate resilience needs of communities in New Mexico. Seventy-five percent (75%) of Tribes and 73% of Counties we contacted confirmed that they had plans or interest in developing solar energy projects. As part of that process, we identified possible solar and battery storage projects for public buildings and infrastructure that will help to reduce greenhouse gas emissions and improve climate resilience from around the state that we would be happy to share with you.

Given that local renewable energy and storage projects have been added to the CPRG priorities list, we would be happy to write a letter of support for the grant if that would be supportive of the state's application.

We would love to be engaged throughout the forthcoming CPRG implementation grant processes, and partner with you to support the establishment of funding for solar and storage projects that power public buildings and infrastructure owned by Counties, Municipalities, Tribes, and School Districts. We are actively working to support and fund these kinds of projects, and we want to collaborate with you toward this end.

We also employed Embold Research, the nonpartisan unit of Change Research, to conduct a survey to gauge support for renewable energy in New Mexico. (That survey [found widespread support for renewable energy](#) among New Mexico voters, with over 70% of New Mexico voters

**supporting the use of both solar and wind energy sources.** This support for renewable energy held true for both right and left leaning voters as well as voters from every region in the state. Three in four voters agreed that the state should maximize its renewable energy production and **84% of New Mexico voters indicated support for rooftop solar.** While respondents were split on whether they think their community will benefit from federal funding for solar and battery storage, **a majority of voters supported the creation of a state solar fund** to help local governments plan and build public solar projects, which could increase the likelihood of leveraging federal funding for solar energy.

In our letter of support we would be happy to share these results which substantiate the state's inclusion of renewable energy projects for public buildings as a number one priority area.

As you might know, our community and stakeholder engagement informed our coalition's decision to pursue the creation of the Local Solar Access Fund. The bill will create a grant fund at the New Mexico Finance Authority (NMFA) to issue both planning and implementation grants to Tribes, Counties, Municipalities, and School Districts for solar and storage projects to power public buildings like community centers, libraries, schools, and fire stations, and infrastructure like water, wastewater, and street lighting. The fund would also provide grants for planning, including procuring grant writers and technical expertise to plan and fund projects, and implementation includes funding construction, purchase, installation, and equipment of solar energy and storage systems.

According to the FIR, the \$110 million sought could fund 1,500 to 2,000 individual small commercial-sized solar projects (on average \$51 thousand to \$71 thousand) and roughly 27 larger projects that could support a microgrid and extensive battery storage.

NMFA is an extraordinarily impactful quasi governmental agency that is well-equipped to deploy the Local Solar Access Fund. In their 30+ year history, they have financed projects in every county of the state to more than 250 cities, counties, tribal entities and public school districts. They have more than 20 programs and have financed projects in excess of \$4 billion. NMFA effectively works on deploying complex financing mechanisms to benefit our communities. Grant funds like the Local Solar Access Fund are much easier and quicker for them to implement than financing. They are well-staffed and NMFA has been staffing up and building capacity and systems over the last three years to support programs like the Local

Solar Access Fund. They have dedicated staff to develop an application. They have program and marketing staff that have existing relationships with eligible entities and trade groups and can easily get the word out about the fund. They have strong existing partnerships with agencies like EMNRD to collaborate on projects like this. NMFA will be able to open up grant applications for the Local Solar Access Fund by the end of the calendar year when it is established in statute.

The bill authorizing the creation of this fund, HB108, received a Do Pass recommendation from the House Energy, Environment and Natural Resources committee last session, but stalled when we were not able to secure an appropriation for the fund. [You can learn more about the proposed fund here.](#) The Local Solar Access Fund was a product of a summer focus group and widespread community outreach and research that engaged communities, leaders, and people dedicated to improving our communities and our planet. We also reached out to every Municipal, County and Tribal government and School District in the state. The bill was only a fully-formed concept in August of this year, created from all of this community engagement. Between then and now, hundreds of people and more than 40 organizations, including local and tribal governments, school districts, the state's Municipal League and Association of Counties, and many intersectional grassroots organizations, became enthusiastic and active supporters of the Local Solar Access Fund. We are going to build upon this outreach and grow this organized movement for local solar access.

We are committed to working in the interim to get this fund recommended in next year's budget and establish the fund with legislation in next year's session. The CPRG grant could provide another avenue to fund these important projects, and we are interested in staying connected on the possibilities therein, and working in a coordinated manner so that we can support the goals of NMED and EMNRD and the deployment of critical and much-needed funding for solar and storage projects that benefit communities throughout our state. Many of the community partnerships we're forging throughout the state can be synergistic with the goals of our state agencies to deploy solar and storage projects in our communities. We would love to work with you on this.

**We know you know this, but it's worth stating some of the benefits solar and storage offer our communities:**

- New Mexico has the second highest solar energy potential in the country, and compared with other emerging climate technologies, solar energy is already proven, reliable, and affordable.** The first quarter of 2023 was the strongest ever first quarter for the solar industry, and the industry is expected to triple in size over the next five years.<sup>1</sup> For the third quarter in a row, over half of new generation in the United States was solar power (4.5 gigawatts).<sup>2</sup> **By mid 2022 New Mexico had already experienced an estimated \$5.2 billion in losses due to drought, severe storms, flooding and wildfires.**<sup>3</sup> **We cannot afford to wait any longer to end our dependence on fossil fuels and make the transition to clean energy.**
- Solar energy reduces cost, and in some cases eliminates utility bills. Savings can be redirected back into local government services, family budgets, or business growth.** Energy generation from coal and methane gas is expensive, and subjects New Mexican ratepayers to volatile energy price swings and a consistent trajectory of rate increases year after year - with average costs for residential electricity in the state increasing by 21% in the last ten years.<sup>4,5</sup> That energy burden, and the instability that hobbles business planning can be eliminated with solar energy - prices for solar have fallen 54% over the last 10 years!<sup>6</sup> The average solar panel is warranted for 25 years. Once panels are installed, they produce energy year after year for no added cost.
- Solar energy is clean. It does not produce toxic by-products or air pollution.** Particulates, ozone precursors, CO<sub>2</sub> and methane are a direct result of fossil fuel extraction and generation, and these pollutants are known to cause increased rates of asthma, heart attacks, strokes, cancer, birth defects and infant mortality. New Mexico residents emit more than 5,500 kilograms of CO<sub>2</sub> emissions from electricity use per person, 17th highest in the nation, and New Mexico is going in the wrong direction. CO<sub>2</sub> pollution from electricity use in the state increased 0.67% in 2022.<sup>7</sup> The communities impacted by these pollutants are primarily disadvantaged and low-income communities.

The impacts of climate disruption extend to mental health as well. In a survey of 10,000 youth across several countries, including the United States, almost 50% reported that

<sup>1</sup> <https://cleantechnica.com/2023/06/09/solar-market-sets-new-record-in-1st-quarter-in-usa/>

<sup>2</sup> <https://ilsr.org/new-power-gen-update-2023-q1/>

<sup>3</sup> [https://www.psehealthyenergy.org/wp-content/uploads/2022/10/E2-PSE-Billion-Dollar-Losses-Trillion-Dollar-Threats\\_The-Cost-of-Climate-Change.-October-2022.pdf](https://www.psehealthyenergy.org/wp-content/uploads/2022/10/E2-PSE-Billion-Dollar-Losses-Trillion-Dollar-Threats_The-Cost-of-Climate-Change.-October-2022.pdf)

<sup>4</sup> EIA-861 Annual Electric Power Industry Report - <https://www.eia.gov/electricity/data/state/>

<sup>5</sup> <https://findenergy.com/nm/> (Accessed 8/9/2023)

<sup>6</sup> <https://www.seia.org/state-solar-policy/new-mexico-solar>

<sup>7</sup> <https://findenergy.com/nm/> (Accessed 8/9/2023)

their feelings of sadness and anxiety due to fears about climate change negatively impacted their daily life and functioning, and more than 75% found the future frightening and felt a sense of betrayal from adults and governments.<sup>8</sup>

- **Solar energy paired with battery storage is critical to climate resilience for New Mexico communities.** During extreme weather events and climate emergencies like wildfires, heat waves and floods every community needs communications and emergency services, community centers, public health providers, elder care centers and other critical infrastructure to continue to operate. When the electricity grid is compromised solar energy with storage provides a lifeline to the community. Many rural communities in our state are looking toward solar and storage to improve resiliency, reliability, and lower costs for community members.

Thank you for your prioritization of renewable energy deployment in the CPRG proposal and for your consideration of a partnership with our coalition. I hope we can discuss our mutual goals to support and fund solar and storage projects in our state and find opportunities for collaboration. We are certainly happy to help gather letters of support for a state CPRG application that would fund these projects, and there are likely other ways we can work together to support these goals. You can reach me at [alysha@publicpowernm.org](mailto:alysha@publicpowernm.org) or 505.226.4353.

Sincerely,

Alysha Shaw, Campaign Director, Public Power New Mexico

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<sup>8</sup> [https://www.nmvoices.org/wp-content/uploads/2023/07/Climate-Change-and-Childrens-Health-Report\\_web.pdf](https://www.nmvoices.org/wp-content/uploads/2023/07/Climate-Change-and-Childrens-Health-Report_web.pdf)