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Governor's Clean-Energy Initiative Moves Forward

By JEFF TOLLEFSON | The New Mexican

A bill that would allocate \$2 million to support initiatives in hydrogen research and other renewable-energy projects cleared its first committee meeting in the New Mexico Legislature on Friday.

Another headed for the Senate floor this week would elevate to state law the Public Regulation Commission's "renewable-energy portfolio" rule requiring electric utilities to generate 10 percent of their power from renewable sources by 2011. Others would exempt certain renewable industries from excise taxes, eliminate the gross-receipts tax on hybrid vehicles and establish revenue bonds for energy-saving upgrades at schools and state buildings.

They are all part of Gov. Bill Richardson's clean-energy package, a collection of initiatives that could pump more than \$30 million into projects promoting renewables and energy efficiency. In his state-of-the-state address, the governor also promised to create a solar-power task force to identify a commercial-scale solar-power project this year and get it off the ground by 2006.

New Mexico has never been short on such ideas, but one advocate says the governor's support could give these initiatives the momentum they need to succeed.

"It's wonderful to have a governor who is so supportive of renewable energy," said Ben Luce, chairman of the New Mexico Coalition for Clean Affordable Energy and president of the New Mexico Solar Energy Association. "Without him, we wouldn't have a chance on a lot of these bills."

Despite a little skepticism from a few legislators, the Advanced Energy Technology Development Act sailed through the House Energy and Natural Resources Committee on Friday. Speaking in support of the bill were Economic Development Secretary Rick Homans; Joanna Prukop, secretary of the Energy Minerals and Natural Resources Department; and Craig O'Hare, Prukop's special assistant on renewable energy and point man for the governor's initiative.

The bill would allocate \$500,000 to Homans' department to help the state promote research initiatives in hydrogen and another \$1.5 million to Prukop's department to establish a grant program to promote energy-saving projects by local and tribal governments throughout the state.

Prukop said she wants to use the grant program to showcase real projects that will both save communities money and improve the environment.

A few lawmakers questioned whether the state should be pumping money into hydrogen, whose feasibility as an economically viable fuel source has yet to be proven, but Homans said the state needs to get involved, given that hydrogen research is already under way at the national labs, universities and businesses throughout the state.

"The state wants to be in a position to provide some leadership, some coordination, some strategic planning," Homans said. He cited similar efforts by the Hydrogen Business Council, a private organization, and the Hydrogen Technology Partnership, which includes representatives of government, the national laboratories and private companies.

Homans looks at renewable technologies in terms of economic development. He said biomass facilities could provide clean energy by burning unwanted forest debris, saving money and providing jobs for local communities.

"It's not a pipe dream. It's very real. It's right now," he said. "And we think we can create jobs for New Mexico as well."

In addition to the state energy department's grants program for local governments, the governor plans to devote \$6 million out of his budget to promote energy-saving upgrades in state buildings. O'Hare said retrofits can reduce energy consumption by 30 percent through small changes, such as the installation of more efficient lighting.

That's the idea behind another bill that would allow the energy department to create upward of \$25 million in revenue bonds to promote energy efficiency. O'Hare said money raised through the bonds would be used to retrofit schools and other state buildings.

"You can essentially use those savings to pay for the revenue bonds," he said. "The idea is that it is cost neutral to the state."

The revenue-bond proposal actually came to New Mexico by way of the San Francisco's Vote Solar Initiative, which approached the governor and Luce at the Coalition for Clean Affordable Energy with the idea. Luce said all three entities worked together to develop the legislation, sponsored by Rep. Mimi Stewart, D-Albuquerque.

The coalition's main priority this year is the renewable-energy portfolio. He said that bill is headed to the Senate floor this week, bolstered by an apparent agreement among state agencies, renewable-energy advocates and utilities.

"This is very exciting year," Luce said. "We are pulling out all of the stops to support these bills."

Some of the major renewable-energy bills:

SENATE BILL 43: Would establish Renewable Portfolio Standard passed by the Public Regulation Commission as state law. The bill would require electric utilities to provide 10 percent of their power through renewable sources by 2011.

HOUSE BILL 380: Would establish revenue bonds as a funding source for energy-saving upgrades in schools and state buildings.

HOUSE BILL 251: Would allocate \$500,000 to the Economic Development Department to promote hydrogen initiatives and \$1.5 million to the Energy, Minerals and Natural Resources Department to establish a grant program for energy-saving projects by local and tribal governments.