

NEW MEXICO

LOCAL SOLAR ACCESS FUND

AN INVESTMENT IN OUR COMMUNITIES
AND OUR CHILDREN'S FUTURE

WHAT IS IT?

The Local Solar Access Fund will help New Mexico communities build the solar they want. Communities throughout our state want to build solar projects that will save money, make them safer and more resilient, especially in emergencies, and reduce dangerous climate emissions. However, most local and Tribal governments do not have the capital to build these projects, nor the staff to access federal grants. The fund will help communities overcome obstacles to build solar they need, investing in their future for generations to come.

The Local Solar Access Fund is a proposed grant fund at the New Mexico Finance Authority, which will issue both planning and implementation grants to qualified entities, including Tribes, Counties, Municipalities, School Districts, Conservation Districts, Land Grants, rural water associations, and others for solar and storage projects to power public buildings and infrastructure like water, wastewater, and street lighting.

The fund is sponsored by Representative Reena Szczepanski and Senator Harold Pope. It will be established in law with a one-time, non-recurring, non-reverting appropriation of \$110 million.

WHY NOW?

New Mexico has unprecedented, but temporary, budget surpluses from oil and gas revenue. The time is now to invest in the future and resilience of our communities.

WHAT ARE THE BENEFITS OF SOLAR?

- Cost savings and increased revenue for local communities from repurposed energy dollars. Solar is cheaper than conventional energy and rates are fixed over 25-30 years. Solar protects communities from price gouging and market volatility.
- Safety, security, and resiliency through the creation of emergency cooling centers that maintain power when there are blackouts and brownouts.
- Reduced carbon emissions to support community health and help address climate change.

HOW WILL THE FUND WORK?

SOME EXAMPLES:

A County Manager wants to make sure the community center can operate in case of emergencies or outages by installing solar and storage. With passage of this bill they could apply to NMFA to fund a feasibility study, a grant writer, and an IRA funding expert, and then apply for federal grants and green bank financing to fund 70% percent of the project. They could then receive a 30% cash subsidy from the IRA after completion.

A City Council is reviewing the budget and finds itself short \$100,000 for critical elder care programs. Utility bills for city facilities have been growing substantially each year and eating into every department's budget. Someone suggests adding solar panels to reduce these costs. Where would you even start the planning or funding with no room in the budget to hire that kind of expertise? The Local Solar Access fund would help them hire experts to plan and fund solar projects that will save energy dollars and power critical facilities.

WHAT OUR COMMUNITIES SAY:

- More than 75% of Tribes and 73% of Counties want to pursue solar energy and storage projects.
- Most rural municipalities in NM currently lack the funding to plan and implement solar, but would develop solar to power public buildings and infrastructure if accessible funding were available.
- New Mexico communities have important public safety and resilience needs such as power and shelter for residents and first responders during emergencies and disasters that this fund could support.
- Local and tribal governments can save up to \$10 million after 25 years by investing in 1 MW of solar.
- Solar is more accessible and affordable than ever. Between 2009-2019, solar costs fell more than 90%, and these trends are likely to continue with increased manufacturing and investment.

BUT WHAT ABOUT ALL THAT FEDERAL FUNDING?

Exactly! The Local Solar Access Fund will be an excellent source of funding on its own, and it will also be critical in helping communities access federal funds they otherwise would be unable to obtain.

- The Local Solar Access Fund will support communities by issuing grants for planning, including paying grantwriters to apply for federal funds and experts to help local and Tribal governments access Inflation Reduction Act (IRA) cash subsidies.
- The fund will be more accessible than federal funding, offering cash for planning and implementation on an expedited timeline. IRA elective pay can only be accessed after projects are completed, which could take up to two years from the date of completion.
- The Local Solar Access Fund will serve under-resourced communities that haven't been able to access federal funding due to the complexity of applications, the amount of work required to apply and manage federal funding, the requirements of upfront funding, the competitiveness of federal grants, and challenging timelines that often aren't compatible with community needs.
- The fund will be able to receive federal and private grants, maximizing the amount of funding available to our communities.

WHAT'S THE DIFFERENCE BETWEEN THIS AND A GREEN BANK?

Green banks typically offer loans and financing for solar, while the Local Solar Access Fund will issue grants to plan and implement solar projects and will not require matches or repayment. The Local Solar Access Fund is complementary to the green banks funding sources, and will help New Mexican communities maximize and accelerate our investments in solar.

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