

NEW MEXICO LOCAL SOLAR ACCESS FUND

AN INVESTMENT IN OUR
COMMUNITIES AND OUR
CHILDREN'S FUTURE

WHAT IS IT?

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 Tribes, Counties, Municipalities, School Districts, and Land Grants 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. Planning includes 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.

The fund is sponsored by House Majority Leader Reena Szczepanski, Senator Harold Pope, Representative Patricia Roybal Caballero, Representative Tara Lujan, and Representative Joseph Hernandez. It will be established in law with a one-time, non-recurring, non-reverting appropriation of \$20 million.

WHY NOW?

Communities across New Mexico are calling for solutions to rising utility costs, unreliable energy infrastructure, and increasing climate-related disasters. Many rural communities have projects ready to go but lack the resources to plan and implement them effectively. The Local Solar Access Fund provides the support they need to act now, building resilience and saving costs for decades to come.

New Mexico's temporary budget surpluses from oil and gas revenue provide a rare opportunity to invest in the future. By establishing this fund, the state can ensure its rural and underserved communities are equipped to face today's challenges and tomorrow's uncertainties.

WHAT OUR COMMUNITIES SAY:

- Most Tribes and 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.

WHAT ARE THE BENEFITS?

- **Resilience:** Solar and storage projects ensure critical facilities remain operational during emergencies, protecting public safety and reducing disaster recovery times.
- **Cost Savings:** Local and Tribal governments can save millions by reducing reliance on volatile energy markets and locking in fixed solar energy costs for 25-30 years.
- **Capacity Building:** Grants fund expertise and resources to help communities plan and implement solar projects, ensuring they can navigate future challenges independently.
- **Sustainability:** Solar energy reduces carbon emissions, improving public health and addressing climate change.
- **Economic Development:** Projects funded by the fund create jobs, stimulate local economies, and support clean energy workforce development.

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BUILDING RESILIENCE IN RURAL COMMUNITIES

The Local Solar Access Fund emphasizes rural resilience, addressing public safety and disaster preparedness needs for underserved communities across New Mexico. By enabling the installation of solar and storage systems on critical facilities, the fund ensures uninterrupted power during emergencies such as wildfires, storms, and grid failures. For example, fire stations can remain operational, water systems can continue running, and schools can act as emergency shelters when needed.

Resilience hubs equipped with solar and storage can provide lifelines during disasters, supplying energy, food, water, and cooling or heating for affected residents. By reducing dependence on conventional energy sources, these hubs enhance the security and sustainability of rural communities.

CAPACITY BUILDING FOR LONG-TERM SUCCESS

One of the unique features of the fund is its focus on capacity building for rural and under-resourced communities. Many communities lack the technical staff or expertise needed to navigate complex funding applications or design solar projects. The fund helps address this gap by funding local and tribal governments to hire grant writers, energy planners, and project managers, enabling them to access additional federal and private resources.

By empowering communities to build their capacity, the Local Solar Access Fund ensures long-term benefits beyond the initial grants. Municipalities, Tribes, and counties can develop the skills and infrastructure to independently manage and expand their renewable energy projects in the future.

SUPPORTING RURAL ECONOMIC DEVELOPMENT

The fund also contributes to economic and workforce development in rural areas by creating local jobs and generating cost savings. Solar projects reduce utility bills, freeing up funds for essential services like elder care and emergency response programs. The savings can amount to millions over 25-30 years, ensuring a more stable financial future for communities.

Additionally, projects funded by the fund stimulate local economies by hiring local contractors, electricians, and solar professionals. This investment strengthens the clean energy workforce and builds a foundation for ongoing renewable energy development.



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. In some cases, green bank funding could be stacked with Local Solar Access Funding, lowering loan costs. The fund is intended to leverage other funding sources, helping New Mexican communities maximize and accelerate our investments in solar.

LEVERAGING AND STACKING FUNDING

The Local Solar Access Fund is designed to complement various funding sources, enabling communities to stack federal, state, and private grants to maximize impact. By covering upfront planning costs and streamlining access to technical expertise, the fund helps rural and under-resourced communities overcome common funding barriers, such as matching requirements and complex applications, ensuring they can fully leverage available opportunities.