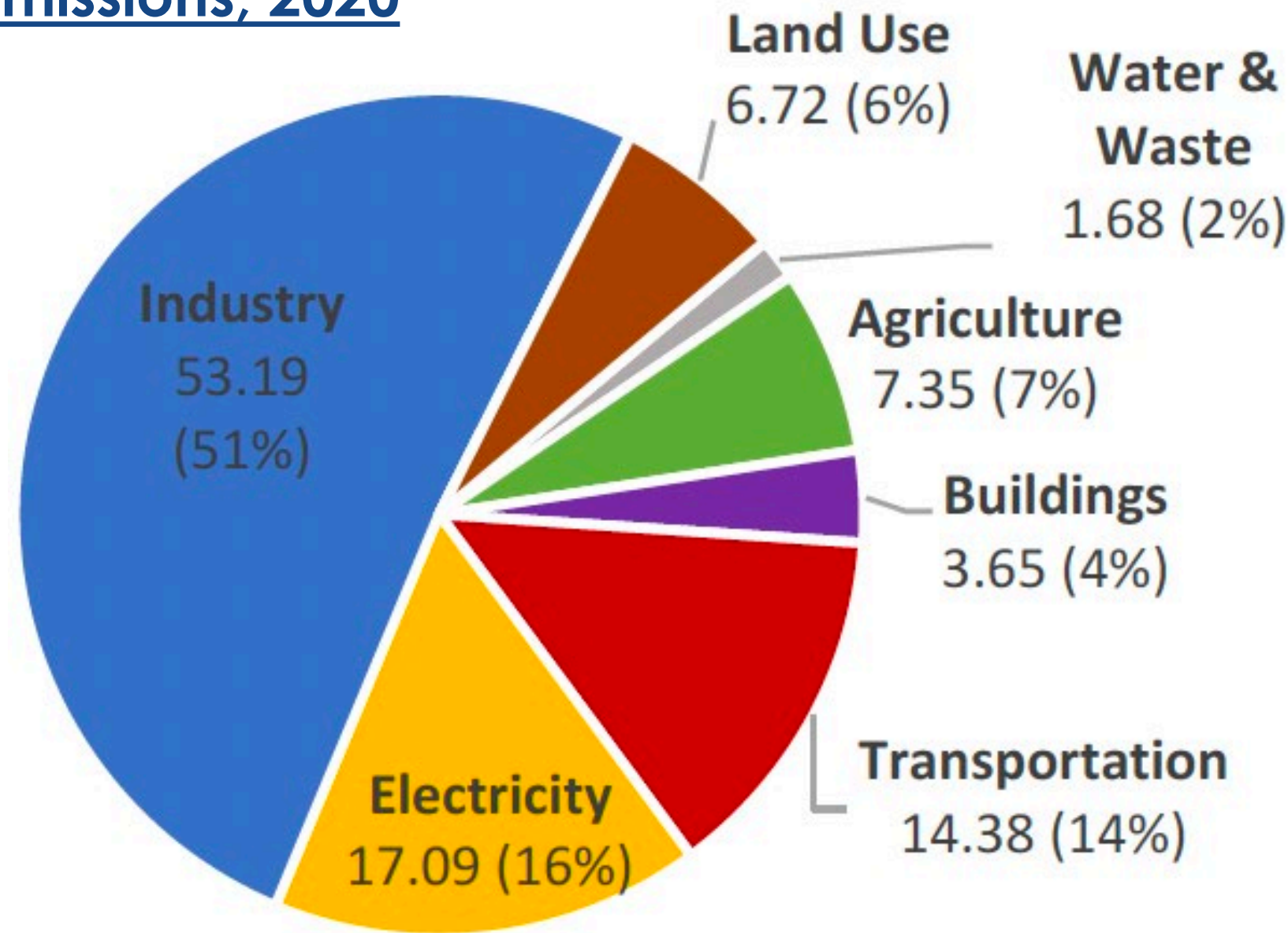


# NM State Energy Office

## Program Overview

# New Mexico's emissions, 2020



# 2021 IECC Building Codes Standard – 1 of 2

- Statewide energy savings of 12% across all climate zones, compared to the current energy codes.
  - This equates to \$258 of annual utility bill savings for the average New Mexico household.
  - The statewide energy cost savings the first year is estimated at \$1,891,000.
- Over the next thirty years, NM will avoid 11.18 million metric tons of CO<sub>2</sub> emissions, the equivalent of taking 1,470,000 cars off the roads.
- Spur the creation of construction industry jobs – more than 150 in the first year.

# 2021 IECC Building Codes Standard – 2 of 2

Supports EV adoption:

- Save \$300 million from vehicle lifetime fuel savings and lower maintenance costs by 2050
- Save up to \$62 million in health care costs with almost 70% occurring in Bernalillo County by 2050. Health savings are attributed to the reduction in air pollution that impairs lung function.
- Reduce carbon dioxide emissions 62%, nitrogen oxides 43%, and particulate matter 24% in the transportation sector. These air pollutants can trigger asthma attacks, increase risk of heart disease, and increase smog/haze.

## **Residential**

New Mexico homeowners will save \$1.15 to \$1.75 for every dollar invested in improved residential construction.

## **Commercial**

New Mexico Commercial Building Developers will save between \$0.37 to \$1.89 per square foot in construction costs

## Just Transition strategy

- Phase 1** – Grants, low-income.  
Goal: develop workforce and supply chain
- Phase 2** – Loans and tax incentives, moderate income  
Goal: wide distribution; sustained for decades

*(Phases may overlap)*

- 1 **Current Grant Programs**
- 2 **Upcoming Grant Programs**
- 3 **Currently Available Tax Incentives**
- 4 **Upcoming Tax Incentives**

More information on all programs is available on our website at  
[www.emnrd.nm.gov/ecmd/](http://www.emnrd.nm.gov/ecmd/)

# Current Grant Programs – 1 of 3

## SEP Energy Efficiency Revolving Loan Fund

- EMNRD awards loans for residential and commercial energy efficiency audits, upgrades and retrofits to increase building efficiency and comfort.
- \$5.4m
- Who is eligible to receive funding from EMNRD: homeowners and building owners.

## Sustainable Education for Advanced Buildings (SEAB)

- Free trainings for contractors on residential and commercial energy conservation codes.
- \$750k
- Who is eligible to receive funding from EMNRD: NM educational institutions.

# Current Grants – 2 of 3

## Building Resilient Infrastructure and Communities (BRIC)

- Funding to address future risks to natural disasters
- \$140k
- Who is eligible to receive funding from EMNRD: states, local communities, tribes and territories.

## Energy Efficiency and Conservation Block Grant (EECBG)

- Funding for a large variety of energy efficiency improvement, including municipal projects, building code improvements, and renewable energy generation
- \$1,758,250
- Who is eligible to receive funding from EMNRD: city, county, state governments.



# Current Grants – 3 of 3

## Community Energy Efficiency Development (CEED)

- Grants for residential energy efficiency improvements in underserved communities across NM
- \$10m
- Who is eligible to receive funding from EMNRD: local governments, in partnership with community organizations

## Preventing Outages While Enhancing Resilience (POWER)

- Grants to electric grid operators, electricity storage operators, electricity generators, transmission owners and operators, distribution providers and fuel suppliers
- \$14,369,462
- Program runs May 23, 2023 until April 30, 2028.

# Upcoming Grant Programs – 1 of 4

## Solar For All

- Grants to build residential low-income solar, including single-family, multi-family and shared solar.
- \$156m (\$400k in-kind)
- Estimated operational by late 2024
- Who is eligible: low-income New Mexicans and New Mexican communities.

# In-process Grants – 2 of 4

## Home Efficiency Rebates (HER)

- Point-of-sale rebates to improve home efficiency
- \$43,999,070
- Estimated operational by Q3 2024
- Who is eligible to receive funding from EMNRD: low-income New Mexicans.

## Home Electric Appliance Rebates (HEAR)

- Point-of-sale rebates to purchase electric appliances and electrify homes
- \$43,742,970
- Estimated operational by Q3 2024
- Who is eligible to receive funding from EMNRD: low-income New Mexicans.

# In-process Grants – 3 of 4

## Training for Residential Energy Contractors (TREC) formula

- \$1,533,830
- Estimated operational by December 31, 2024
- Who is eligible to receive funding from EMNRD: educational institutions, registered apprenticeship programs, unions and other.

## Training for Residential Energy Contractors (TREC) competitive

### Energy Auditor Training – **if awarded**

- \$200k - \$2m
- Estimated operational by January 1, 2025
- Who is eligible to receive funding from EMNRD: educational institutions, registered apprenticeship programs, unions and other.

# Currently Available Tax Incentives – 1 of 2

## New Solar Market Development Tax Credit

- Up to 10% of the equipment, materials, and labor costs of a solar system – residential or commercial.
- May not exceed \$6,000.
- Tax credit is refundable and transferrable.
- Tax credit fund is capped at \$30,000,000 per year.
- Supplemental \$20m approved by the legislature in 2024 for those systems, otherwise eligible, which were rejected in 2020 – 2023 due to the lower annual cap in those years. Applications for the supplemental credit will be available this summer.

# Currently Available Tax Incentives – 2 of 2

## Sustainable Building Tax Credit

- Incentivizes cutting-edge sustainable building practices and energy-efficient products
- Two types of tax credits available:
  - Tax credits for the following energy conserving products in existing residences:
    - Energy Star heat pump installation
    - Energy Star heat pump water heater installation
    - Energy Star windows installation
    - Energy Star doors installation
    - Improvements in insulation levels
    - Making the home or building electric vehicle ready
  - Tax credits for commercial renovation and new construction projects.

# Upcoming Tax Incentives – 1 of 2

## Clean Car Income Tax Credit – 2024 legislation

- Tax credit to support the purchase or lease of clean vehicles (EVs, plug-in hybrids, and fuel cell vehicles). The vehicles can be new or used.
- EMNRD is currently preparing the administrative rules for the program. We hope to begin accepting applications in July 2024.
- Program runs from May 15, 2024 to December 31, 2033.
- No yearly aggregate cap on credits (individual credits vary in size depending on the vehicle and the year purchased).

## Advanced Energy Manufacturing Tax Credit

- Credit for capital costs to support the production of advanced energy products in New Mexico.
- EMNRD is currently preparing the administrative rules for the program. We hope to begin accepting applications in 2024.
- Program runs from January 1, 2025 to December 31, 2032.
- Annual aggregate amount available is \$25 million per year.

# Upcoming Tax Incentives – 2 of 2

## Geothermal Heat Pump Tax Credit

- Provides a credit for 30% of the purchase and installation costs of a geothermal heat pump system.
- EMNRD is currently preparing the administrative rules for the program. We hope to begin accepting applications this summer.
- Program runs from January 1, 2024 to December 31, 2033.
- Annual aggregate amount available is \$4 million per year.

## Geothermal Electricity Tax Credit

- Credit for geothermal electricity generation of one and one-half cents (\$0.015) per Kwh generated.
- EMNRD is currently preparing the administrative rules for the program.
- Program runs from January 1, 2025 to December 31, 2031.
- Annual aggregate amount available is \$5 million per year.



# Partners

## Agencies

IAD

DWS

EDD

MFA

HSD

NMED

Dept of Justice

NMFA

## Non-government

Unions (IBEW, Local 412, etc)

Contractors and industry orgs

Green banks or similar

# Strategies

Clearinghouse website, outreach/marketing

Energy coaches

# Challenges and possible remedies

Workforce – training

Interconnection / utility cooperation – PRC, relationships

Supply chain delays – going first, local manufacturing?

Bad actors – disseminating info, contractor certification “lite”

# Questions?

<https://www.emnrd.nm.gov/>



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