

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 9 ELECTRIC SERVICES
PART 571 RENEWABLE ENERGY FOR RURAL ELECTRIC COOPERATIVES

17.9.571.1 ISSUING AGENCY: New Mexico public regulation commission.
[17.9.571.1 NMAC - N, 6/24/2025]

17.9.571.2 SCOPE: This rule applies to all cooperatives, rural electric cooperatives, distribution cooperatives, and generation and transmission cooperatives under the commission's jurisdiction.
[17.9.571.2 NMAC - N, 6/24/2025]

17.9.571.3 STATUTORY AUTHORITY: Sections 62-15-1 to -37 NMSA 1978 of the Rural Electric Cooperative Act, and Section 62-16-8 NMSA 1978 of the Renewable Energy Act.
[17.9.571.3 NMAC - N, 6/24/2025]

17.9.571.4 DURATION: Permanent.
[17.9.571.4 NMAC - N, 6/24/2025]

17.9.571.5 EFFECTIVE DATE: June 24, 2025, unless a later date is cited at the end of a section.
[17.9.571.5 NMAC - N, 6/24/2025]

17.9.571.6 OBJECTIVE: The objective of this rule is to implement the renewable energy provisions of the Rural Electric Cooperative Act, the voluntary tariff provisions of the Renewable Energy Act, and to bring significant economic development and environmental benefits to New Mexico.
[17.9.571.6 NMAC - N, 6/24/2025]

17.9.571.7 DEFINITIONS: Unless otherwise specified, as used in this rule:

- A. Definitions beginning with "A": [RESERVED]**
- B. Definitions beginning with "B": [RESERVED]**
- C. Definitions beginning with "C": "cooperative"** means an electric utility that is organized under the Rural Electric Cooperative Act or the laws of another state as a cooperative nonprofit membership corporation; cooperative is synonymous with rural electric cooperative.
- D. Definitions beginning with "D": "distribution cooperative"** means an electric utility, with distribution facilities, that purchases wholesale power and delivers it to consumers in New Mexico and that is organized as a cooperative under the Rural Electric Cooperative Act or the laws of another state; a distribution cooperative is a rural electric cooperative, and may have generation facilities, transmission facilities, or both, but it is not a generation and transmission cooperative.
- E. Definitions beginning with "E": [RESERVED]**
- F. Definitions beginning with "F": [RESERVED]**
- G. Definitions beginning with "G": "generation and transmission cooperative"** means an electric utility, with generation facilities, transmission facilities, or both, but without distribution facilities, that sells electric power to member cooperatives in New Mexico and that is organized as a rural electric cooperative under the Rural Electric Cooperative Act or the laws of another state; a generation and transmission cooperative is a cooperative, but it is not a distribution cooperative.
- H. Definitions beginning with "H": [RESERVED]**
- I. Definitions beginning with "I": [RESERVED]**
- J. Definitions beginning with "J": [RESERVED]**
- K. Definitions beginning with "K": [RESERVED]**
- L. Definitions beginning with "L": [RESERVED]**
- M. Definitions beginning with "M": [RESERVED]**
- N. Definitions beginning with "N": [RESERVED]**
- O. Definitions beginning with "O": [RESERVED]**

P. Definitions beginning with “P”: plan year means the calendar year for which approval is sought.

Q. Definitions beginning with “Q.”: [RESERVED]

R. Definitions beginning with “R”:

(1) **“renewable energy certificate” or “REC”** is as that term is defined in Section 62-15-37 NMSA 1978;

(2) **“renewable portfolio standard” or “RPS”** means the minimum percentage of retail sales of renewable energy by a distribution cooperative to customers in New Mexico that is required by the Rural Electric Cooperative Act; and

(3) **“rural electric cooperative”** means an electric utility that is organized under the Rural Electric Cooperative Act or the laws of another state as a cooperative nonprofit membership corporation; rural electric cooperative is synonymous with cooperative.

S. Definitions beginning with “S”: [RESERVED]

T. Definitions beginning with “T”: [RESERVED]

U. Definitions beginning with “U”: [RESERVED]

V. Definitions beginning with “V”: [RESERVED]

W. Definitions beginning with “W”: WREGIS means the western renewable energy generation information system.

X. Definitions beginning with “X”: [RESERVED]

Y. Definitions beginning with “Y”: [RESERVED]

Z. Definitions beginning with “Z”: [RESERVED]

[17.9.571.7 NMAC - N, 6/24/2025]

17.9.571.8 RENEWABLE PORTFOLIO STANDARD:

A. A distribution cooperative shall meet the RPS to include renewable energy in its electric energy supply portfolio as demonstrated by the retirement of RECs.

B. No later than January 1, 2025, renewable energy shall comprise no less than forty percent of a distribution cooperative’s total retail sales in New Mexico.

C. No later than January 1, 2030, renewable energy shall comprise no less than fifty percent of a distribution cooperative’s total retail sales in New Mexico.

D. No later than January 1, 2050, a distribution cooperative shall provide New Mexico retail customers with electricity generated from at least eighty percent renewable energy resources, provided that:

(1) achieving the eighty percent RPS is technically feasible;

(2) the distribution cooperative is able to provide reliable electric service while implementing the eighty percent RPS; and

(3) implementing the eighty percent RPS shall not cause electric service to become unaffordable.

E. Renewable energy resources that are in a distribution cooperative’s energy supply portfolio on January 1, 2008, shall be counted in determining compliance with Section 62-15-34 NMSA 1978 and this rule.

F. Demonstration of compliance:

(1) A distribution cooperative shall demonstrate compliance with the RPS by retiring RECs associated with renewable energy assigned to the distribution cooperative.

(2) A generation and transmission cooperative shall be responsible for meeting the RPS for all energy it supplies to its member distribution cooperatives in New Mexico.

(3) Energy from renewable energy resources that a generation and transmission cooperative supplies in compliance with the RPS shall be verified at the point where the generation and transmission cooperative produces or takes delivery of the energy on behalf of the member distribution cooperatives that the generation and transmission cooperative serves.

[17.9.571.8 NMAC - N, 6/24/2025]

17.9.571.9 ZERO CARBON RESOURCE STANDARD:

A. No later than January 1, 2050, a distribution cooperative shall provide New Mexico retail customers with electricity generated from one hundred percent zero carbon resources, provided that:

(1) achieving the one hundred percent standard is technically feasible;

(2) the distribution cooperative is able to provide reliable electric service while implementing the one hundred percent standard; and

(3) implementing the one hundred percent standard shall not cause electric service to become unaffordable.

B. A generation and transmission cooperative shall be responsible for meeting the zero carbon resource standard for all energy it supplies to its member distribution cooperatives in New Mexico.

C. Energy from zero carbon resources that a generation and transmission cooperative supplies in compliance with the zero carbon resource standard shall be verified at the point where the generation and transmission cooperative produces or takes delivery of the energy on behalf of the member distribution cooperatives that the generation and transmission cooperative serves.

[17.9.571.9 NMAC - N, 6/24/2025]

17.9.571.10 REASONABLE COST THRESHOLD:

A. If, in any given year, a distribution cooperative determines that the average annual levelized cost of renewable energy that would need to be procured or generated for purposes of compliance with the RPS would be greater than \$60.00 per megawatt-hour at the point of interconnection of the renewable energy resource with the transmission system, the distribution cooperative shall not be required to incur that excess cost.

(1) The reasonable cost threshold of \$60.00 per megawatt-hour shall be adjusted for inflation after 2020.

(2) Excused performance pursuant to the reasonable cost threshold in any given year shall not operate to delay compliance with the RPS in subsequent years.

B. The provisions of this subsection do not preclude a distribution cooperative from accepting a project with a cost that would exceed the inflation-adjusted reasonable cost threshold.

[17.9.571.10 NMAC - N, 6/24/2025]

17.9.571.11 RENEWABLE ENERGY CERTIFICATES:

A. Renewable energy certificates:

(1) are owned by the generator of the renewable energy unless:

(a) the RECs are transferred to the purchaser of the energy through specific agreement with the generator;

(b) the generator is a qualifying facility, as defined by the federal Public Utility Regulatory Policies Act of 1978, in which case the RECs are owned by the distribution cooperative purchaser of the renewable energy unless retained by the generator through specific agreement with the distribution cooperative purchaser of the energy;

(c) a contract for the purchase of renewable energy is in effect prior to January 1, 2004, in which case the purchaser of the energy owns the RECs for the term of such contract; or

(d) the generator is a community solar facility, excluding a native community solar project, as those terms are defined in the Community Solar Act, in which case the RECs are owned by the distribution cooperative to whose electric distribution system the community solar facility is interconnected;

(2) may be traded, sold, or otherwise transferred by their owner to any other party; such transfers and use of the certificate by a distribution cooperative for compliance with the renewable energy portfolio standard do not require physical delivery of the electric energy represented by the certificate to a distribution cooperative, so long as the electric energy represented by the certificate was contracted for delivery in New Mexico, or consumed or generated by an end-use customer of the distribution cooperative in New Mexico, unless the commission determines that there is an active regional market for trading renewable energy and RECs in any region in which the distribution cooperative is located;

(3) that are used once by a distribution cooperative to satisfy the RPS and are retired, or that are traded, sold, or otherwise transferred by the distribution cooperative, shall not be further used by the distribution cooperative; and

(4) that are not used by a distribution cooperative to satisfy the RPS, or that are not traded, sold, or otherwise transferred by the distribution cooperative, may be carried forward for up to four years from the date of creation and, if not used by that time, shall be retired by the distribution cooperative.

B. A distribution cooperative is responsible for demonstrating that a REC used for compliance with the RPS is derived from eligible renewable energy resources and has not been retired, traded, sold, or otherwise transferred to another party.

C. A distribution cooperative shall maintain records sufficient to meet the requirements of 17.9.571.13 NMAC. A distribution cooperative shall maintain such records for a minimum of 10 years.

D. The acquisition, sale or transfer, and retirement of any RECs used to meet the RPS shall be registered with WREGIS or its direct successor(s), except as provided in Subsection E of 17.9.571.13 NMAC. Certificates whose retirement has been registered by a distribution cooperative with WREGIS shall be deemed to meet the requirements of Subsection B of 17.9.571.13 NMAC.

E. A REC representing electricity delivered to New Mexico and registered with a tracking system other than WREGIS may be used to meet the RPS so long as WREGIS lacks the capability to import the REC from the other tracking system.

F. The requirement for registration and trading of RECs through WREGIS shall not constitute a finding by the commission that a regional renewable energy market is generally available.

G. Until such time as the commission has determined that there is a regional market for exchanging renewable energy and RECs that is generally available for all distribution cooperatives in the state, a distribution cooperative may seek approval from the commission to meet some or all of its RPS using individual RECs that represent energy generated by a renewable energy resource within a regional renewable energy market or trading system in any region where the distribution cooperative is located.

H. Any state having a mandatory RPS that accepts RECs for energy produced and delivered in New Mexico on a non-discriminatory basis for compliance with the state's RPS shall be deemed to be part of an active regional market for distribution cooperatives for the purposes of Paragraph (2) of Subsection A of 17.9.571.13 NMAC.

I. A non-WREGIS registered REC shall contain the following information:

- (1) the name and contact information of the renewable energy generating facility owner or operator;
- (2) the name and contact information of the distribution cooperative purchasing the REC;
- (3) the type of generator technology and fuel type;
- (4) the generating facility's physical location, nameplate capacity in MW, location and ID number of revenue meter, and date of commencement of commercial generation;
- (5) the distribution cooperative to which the generating facility is interconnected;
- (6) the control area operator for the generating facility; and
- (7) the quantity in kWh and the date of the REC creation.

[17.9.571.11 NMAC - N, 6/24/2025]

17.9.571.12 VOLUNTARY RENEWABLE TARIFFS:

A. A distribution cooperative may offer its retail customers a voluntary program for purchasing renewable energy under rates and terms that are approved by the commission.

B. A distribution cooperative that offers its retail customers a voluntary program for purchasing renewable energy shall:

(1) report to the commission by April 30 of each year the demand for renewable energy pursuant to the voluntary program concerning the availability of renewable energy to the rural electric cooperative and the annual demand for renewable energy pursuant to their voluntary tariff; and

(2) comply with all requirements for the procurement of renewable energy set forth in the Rural Electric Cooperative Act.

[17.9.571.12 NMAC - N, 6/24/2025]

17.9.571.13 ANNUAL RENEWABLE ENERGY PORTFOLIO REPORT:

A. By April 30 of each year, a distribution cooperative shall file with the commission a report on its purchases and generation of renewable energy during the preceding calendar year.

B. The report shall include:

- (1) an executive summary;
- (2) the cost of the renewable energy resources purchased and generated by the distribution cooperative to meet the RPS;
- (3) an explanation of steps taken to minimize costs, including competitive procurement and comparison of the price of electricity from renewable energy resources in the bids received by the distribution cooperative to recent prices for such electricity elsewhere in the southwestern United States;
- (4) an annual compliance plan for meeting the RPS for the following three years;
- (5) all renewable energy generation or REC purchases and sales itemized by source;
- (6) where applicable, a reconciliation of any banking of RECs by providing a beginning REC balance, the REC activity affecting the beginning REC balance, and an ending REC balance;

- (7) where applicable, the impact of any existing multipliers on the number of available RECs, including any documentation regarding the regulatory approval of such multipliers;
- (8) an attestation that, to the best of the distribution cooperative's knowledge, no RECs used for RPS compliance have been double-counted;
- (9) a list of all RECs, including acquired, issued, or retired certificates;
- (10) information, from WREGIS or its successor, on RECs acquired, sold, retired, transferred, or expired; and the information shall include reports from WREGIS or its successor which allow the commission to determine, by fuel type, the number of RECs in each calendar year:
 - (a) acquired;
 - (b) sold;
 - (c) retired;
 - (d) transferred; and
 - (e) expired;
- (11) a table with the following data:
 - (a) total amount of RECs;
 - (b) total retail sales in megawatt-hours; and
 - (c) RPS compliance percentage achieved;
- (12) the report to the distribution cooperative's membership including a summary of its purchases and generation of renewable energy during the preceding calendar year required by Subsection D of Section 62-15-34 NMSA 1978; and
- (13) renewable energy and conservation fee information, pursuant to 17.9.571.16 NMAC, if applicable.

C. A distribution cooperative that is a member of a generation and transmission cooperative may file its annual report as part of a group filing package by the generation and transmission cooperative, provided that the distribution cooperative's filing requirements shall be identified separately from other cooperatives in the group.

D. Staff may request additional information or clarification from a distribution cooperative.

E. A distribution cooperative, or a generation and transmission cooperative filing on behalf of a distribution cooperative, shall serve its annual report on the commissioners, commissioners' advisors, office of general counsel, and staff.

[17.9.571.13 NMAC - N, 6/24/2025]

17.9.571.14 RENEWABLE ENERGY AND CONSERVATION FEE:

A. A distribution cooperative may collect from its customers a renewable energy and conservation fee of no more than one percent of a customer's bill.

(1) In no event shall a distribution cooperative annually collect more than \$75,000 from any single customer.

(2) Money collected through the renewable energy and conservation fee shall be segregated in a separate renewable energy and conservation account from other distribution cooperative funds, and it shall be expended only on programs or projects to promote the use of renewable energy, load management, or energy efficiency.

B. Each distribution cooperative that collects a renewable energy and conservation fee from its customers shall deduct from the fees paid to the state pursuant to Section 62-8-8 NMSA 1978 an amount equal to fifty percent of the amount of money collected through the renewable energy and conservation fee during the preceding calendar year. The money shall be included in the account with other money from the renewable energy and conservation fee and expended only on programs or projects to promote the use of renewable energy, load management, or energy efficiency.

C. In its annual report to the public regulation commission by April 30 pursuant to 17.9.571.15 NMAC, a distribution cooperative that collects a renewable energy and conservation fee from its customers shall include the information described below for the preceding calendar year:

(1) the total amount of money collected by the distribution cooperative from its customers during the preceding calendar year through the assessment of a renewable energy and conservation fee and the balance of funds in the distribution cooperative's renewable energy and conservation fund, as of January 1 and December 31 of the preceding calendar year;

(2) the amount of money withheld by the distribution cooperative from the inspection and supervision fees due to the state that was placed in the renewable energy and conservation fund as a partial match of the renewable energy and conservation fees collected during the preceding calendar year;

(3) the amount of money received by the distribution cooperative from any third party that was placed in the renewable energy and conservation fund;

(4) whether and to what extent the distribution cooperative will assess its customers for a renewable energy and conservation fee in the succeeding calendar year; and

(5) a summary of each renewable energy project, energy efficiency program, or load management program upon which money from the renewable energy and conservation fund was expended during the preceding calendar year, which includes:

(a) a description of the anticipated benefits to the distribution cooperative's members from each project or program;

(b) the amount of money spent on each project or program; and

(c) the status of each project or program.

[17.9.571.14 NMAC - N, 6/24/2025]

HISTORY OF 17.9.571 NMAC: [RESERVED]