

NMFA Programs	Local Solar Access Fund Policy	Original Effective Date: December 11, 2025
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LOCAL SOLAR ACCESS FUND POLICY

This Local Solar Access Fund Policy was adopted on December 11, 2025, by the Board of Directors of the New Mexico Finance Authority, a public body politic and corporate, separate and apart from the State of New Mexico constituting a governmental instrumentality, created by the New Mexico Finance Authority Act, Section 6-21-1 et. seq., NMSA 1978.

I. PURPOSE

A. Statutory Authority

The Local Solar Access Fund (the “Fund”) amended the NMFA Act to provide grants to plan, design, construct, purchase, install and equip solar energy systems used to power buildings and infrastructure located within New Mexico and for technical assistance to apply for federal or other funding for the same purposes.

B. Policy Objectives

The goal of this Local Solar Access Fund Policy (“Policy”) is to:

1. provide guidance regarding program implementation including mission objectives, grant parameters and terms, and reporting requirements;
2. provide a foundation for standards of discipline guiding the execution and monitoring of grants from the Fund.

C. Implementation

The Policy shall be implemented by the NMFA Board of Directors (“Board”) and may, at times, be waived by the Board if it determines that a deviation regarding certain Policy provisions is in the best interest of the NMFA or the Fund. Such waiver will be reflected in the minutes of the meeting at which the waiver is considered.

II. DEFINITIONS

- A. “Act” means the New Mexico Finance Authority Act, Section 6-21-1, et. seq., NMSA 1978 as may be amended and supplemented.

B. **“Applicant”** means an Eligible Entity or New Mexico Council of Governments who has filed an Application with the NMFA to obtain Financial Assistance from the Fund.

C. **“Application”** means a written document filed with the NMFA by an Applicant for the purpose of obtaining Financial Assistance from the Fund.

D. **“Authorized Representative”** means one or more individuals authorized by the governing body of an Eligible Entity or New Mexico Council of Governments to act on behalf of the Eligible Entity or New Mexico Council of Governments to the extent provided by law.

E. **“Board”** means the NMFA Board of Directors.

F. **“Chief Executive Officer”** or “CEO” means the Chief Executive Officer of the NMFA or their designee.

G. **“Eligible Entity”** means a county, a municipality, a school district, a land grant-merced controlled and governed pursuant to Chapter 49, Article 1 NMSA 1978 or an Indian nation, tribe or pueblo located wholly or partially in New Mexico.

H. **“Financial Assistance”** means a Local Solar Access Project Grant or a Local Solar Access Technical Assistance Grant.

I. **“Fund”** means the Local Solar Access Fund created pursuant to Section 6-21-6.17 of the Act.

J. **“Interconnection Equipment”** means new or upgraded infrastructure required to interconnect a new generating facility to a utility’s electrical system.

K. **“Local Solar Access Project Grant”** means financial assistance in the form of a grant for a Solar Energy System Project awarded pursuant to the Act and these Rules.

L. **“Local Solar Access Technical Assistance Grant”** means financial assistance in the form of a grant for Technical Assistance awarded pursuant to the Act and these Rules.

M. **“Low Income”** means 80% or less of the State’s Median Household Income, based on the most recent 5-year average of Median Household Income from U.S. census data acceptable to the Authority.

N. **“New Mexico Council of Governments”** means a regional association of municipalities, counties and special districts formed to provide planning and other services to its member organizations.

O. **“NMFA”** means the New Mexico Finance Authority.

P. **“Program Policy”** means this Local Solar Access Fund Policy.

Q. **“Rules”** means the Rules governing the Local Solar Access Fund adopted by the NMFA Board of Directors and NMFA Oversight Committee

R. **“Rural”** means any area not considered as Urban.

S. **“Solar Energy System”** means equipment used to generate, convert, store, manage and monitor solar energy for use as thermal energy or electricity and may include:

1. Energy storage systems, including batteries, that are capable of retaining, storing, and delivering electrical energy by chemical, thermal, mechanical or other means; and

2. Interconnection equipment required to safely interconnect the system with the electrical grid.

T. **“Solar Energy System Project”** means the planning, design, construction, purchase, installation or equipment of Solar Energy Systems used to power buildings and infrastructure located within New Mexico that are owned and operated by an Eligible Entity, including necessary upgrades or repairs required to install or connect Solar Energy Systems.

U. **“State”** means the State of New Mexico.

V. **“Technical Assistance”** means professional services supporting the application for federal or other funding for Solar Energy System Projects.

W. **“Urban”** means a continuously built-up area with a population of 60,000 or more. Urban areas may include one or more municipalities or census designated places.

III. MISSION OBJECTIVES

NMFA’s partner on program implementation is the New Mexico Energy, Minerals and Natural Resources Department (“EMNRD”), which supports the state’s energy transition goals and renewable energy development. EMNRD coordinates with local governments and communities to advance clean energy infrastructure throughout New Mexico.

The Fund has identified the following mission objectives:

A. Increase deployment of solar energy systems in underserved and rural communities throughout New Mexico.

B. Reduce energy burden for low-income households and community service providers.

C. Support local workforce development in the renewable energy sector.

D. Enhance community resilience through distributed solar and energy storage systems.

- E. Leverage federal and other funding sources to maximize project impact

IV. ELIGIBILITY FOR APPLICANTS

A. Applicant Eligibility

1. **Local Solar Access Technical Assistance Grants:** Applicants meeting the definition of Eligible Entity, or a New Mexico Council of Governments are eligible to receive Local Solar Access Technical Assistance from the Fund.

2. **Local Solar Access Project Grants:** Applicants meeting the definition of Eligible Entity are eligible to receive Local Solar Access Project Grants from the Fund.

V. APPLICATION REQUIREMENTS

Application forms will be made publicly available on the NMFA website, subject to the availability of sufficient monies in the fund. Applicants must submit a complete package including the application form and accompanying attachments.

A. Local Solar Access Technical Assistance Grants: including but not limited to:

1. **Applicant Information:** contact information (the name, phone number and email address) for the Authorized Representative designated by the Applicant and a description of the organizational and governing structure.

2. **Project Description:** description of the scope of work for the project to include:

a. the goal for technical assistance (e.g., Local Solar Access Project Grant funding; other state or federal funding application preparation; direct build); and

b. the technical assistance needed or consultants to be secured (e.g., engineering, compliance, permitting).

3. **Project Deliverables:** deliverables-based summary of the project plan for the Solar Energy System timeline, budget, and a description of alternative funding sources for which the Applicant is applying.

Applications for Technical Assistance Grants will be evaluated for eligibility and completeness and prioritized by eligible entities meeting the definition of low-income.

An Applicant must complete all Technical Assistance Grant deliverables prior to applying for Local Solar Access Project funds.

B. Local Solar Access Project Grants: including but not limited to:

1. **Applicant Information:** description of organization, governing structure, and authorized representatives;

2. **Project Description:** description of the scope of work for the project to include:

a. a description of the project size, location, and goal for the Local Solar Energy System project;

b. a completed, stamped technical design, with maps, diagrams or images, for construction-related projects;

c. a description of the community benefits expected from this project, including how this project will lead to increased community resilience; and

d. if not already achieved, plans for achieving compliance with state and local construction and permitting requirements.

3. **Site Information:** project location with maps, diagrams, site characteristics analysis, proof of application to the utility for interconnection and any expected interconnection equipment costs.

4. **Community Impact Assessment:** description of local community benefits including:

- a. estimated impact on household energy burden;
- b. number of low-income households served;
- c. impact on community service or emergency shelter providers; and
- d. local workforce development opportunities.

5. **Financial Analysis:** including:

- a. Estimated total project costs with detailed budget;
- b. schedule of sources and uses of funding;
- c. estimated energy cost savings and operating cost reductions; and
- d. availability of alternative funding sources.

6. **Implementation Plan:** including:

- a. project timeline with initiation and completion targets;
- b. staff or consulting capacity for project management; and
- c. compliance plans for federal, state, and local requirements.

7. **Technical Specifications:** Solar energy system design and equipment specifications.

8. **Organizational Documents:** Certificate of good standing and governance documentation.

9. **Environmental Considerations:** Site assessment and environmental impact evaluation,

10. Any additional information requested by NMFA.

VI. GRANT STRUCTURING PARAMETERS

A. Eligible Uses of Proceeds

1. **Local Solar Access Technical Assistance Grants:**
 - a. Professional services for grant writing and federal funding applications;
 - b. Engineering and feasibility studies;
 - c. Environmental assessments and permitting support;
 - d. Legal and regulatory compliance assistance; and
 - e. Project development and planning services.
2. **Local Solar Access Project Grants:**
 - a. Planning, design, and engineering services for solar energy systems;
 - b. Purchase and installation of solar panels, inverters, and related equipment;
 - c. Energy storage systems including batteries and management systems;
 - d. Electrical infrastructure and utility grid interconnection equipment;

- e. Construction and installation labor costs;
- f. Necessary building upgrades or repairs to accommodate solar installations; and
- g. Project management and oversight costs.

B. Grant Amount Limitations; Allocation Requirements

1. Projects

- a. Financial Assistance will be limited to no more than \$50,000 per Local Solar Access Technical Assistance Grant.
- b. Financial Assistance will be limited to no more than \$1,000,000 per Local Solar Access Project Grant.

2. Geographic Distribution

- a. At least sixty percent (60%) of the total funding available shall be awarded to Rural Eligible Entities.
- b. No more than twenty-five (25%) of the Fund shall be awarded to Eligible Entities within any one county.

VII. APPLICATION PRIORITIZATION FOR LOCAL SOLAR ACCESS PROJECT GRANTS

A. Prioritization Criteria

NMFA staff will prioritize eligible applications with assistance from EMNRD using the following weighted criteria:

- 1. **Community Need (25%):** Eligible Entity's demonstrated need for funding and lack of alternative resources.

The NMFA will determine the Project Grant Applicant's Unmet Need after taking into consideration unrestricted cash balances per current financials. Unmet need determination will be as follows:

- a. Unrestricted cash of less than 100% but greater than or equal to 76% of the project cost. SCORE: 1-8
- b. Unrestricted cash of less than 76% but greater than or equal to 51% of the project cost. SCORE: 9-17

- c. Unrestricted cash of less than 51% of the project cost.

SCORE: 18-25

2. **Low-Income Impact (30%):** Percentage of project beneficiaries that are low-income households.

The NMFA will determine the Project Grant Applicant's Low-Income Impact based upon the Applicant's Local Median Household Income (MHI). Determination will be as follows:

- a. Applicant's MHI is 80% or less than the State MHI.

SCORE: 15-30

- b. Applicant's MHI is 81% or more than the State MHI.

SCORE: 1-14

3. **Critical Infrastructure (20%):** Projects serving community services or emergency shelter facilities.

The NMFA will determine the Project Grant Applicant's Critical Infrastructure based upon the ability of the Project to specifically address infrastructure as follows

- a. benefits Applicant's emergency shelter facilities (e.g., community facilities). SCORE: 14-20

- b. benefits Applicant's community services (e.g., food pantries). SCORE: 7-13

- c. benefits Applicant's other infrastructure (e.g., water, wastewater facilities). SCORE: 1-6

4. **Operating Cost Savings (10%):** Projected long-term energy cost reductions.

The NMFA will determine the Project Grant Applicant's Operating Cost Savings based upon the impact to the Applicant's financial strain as follows:

- a. Applicant's revenue stream limited to meet operational needs (e.g., limited available GRT enactments) SCORE: 5-10

- b. Applicant's limited additional funding availability (e.g., emergency funding) SCORE: 1-4

5. **Energy Storage Integration (10%):** Inclusion of battery storage or grid-interactive systems.

The NMFA will determine Project Grant Applicant's storage and integration efforts as follows:

- a. project that has both battery storage and grid-interactive systems
SCORE: 7-10
- b. project has 4, 6, or 8-hour battery storage
SCORE: 4-6
- c. project that has grid integration.
SCORE: 1-3

6. **Workforce Development (5%):** Commitment to local hiring, prevailing wages, or apprenticeship programs.

The NMFA will determine Project Grant Applicant's Workforce Development efforts based upon the Applicant hiring participants from registered New Mexico apprenticeship programs or other approved construction/trades training programs.

SCORE: 5 (yes)/ 0 (no)

VIII. GRANT AGREEMENTS

A. Standard Terms and Conditions

NMFA and the eligible Applicant will enter into a grant agreement that establishes the terms and conditions of the financial assistance. The agreement will include:

- 1. Project scope, timeline, and deliverable requirements;
- 2. Reporting and compliance obligations;
- 3. Financial management and audit requirements; and
- 4. Performance standards and monitoring procedures.

B. Compliance Requirements

Grant agreements will contain provisions requiring recipients to:

- 1. Comply with all applicable federal, state, and local laws and regulations;
- 2. Maintain non-discrimination policies in employment and contracting;
- 3. Submit regular progress and financial reports; and
- 4. Allow NMFA access for monitoring and evaluation purposes.

**The NMFA reserves the right to request additional information for monitoring purposes.*

C. Performance and Payment Bonds

Eligible Entities, except for Indian nations, tribes, or pueblos, that are made a grant shall require contractors to post performance and payment bonds as described in Section 13-4-18 NMSA 1978.

IX. REFERENCES

- Local Solar Access Fund Rules, adopted by the New Mexico Finance Authority Board of Directors on October 23, 2025, and approved by the NMFA Oversight Committee on November 3, 2025.
- New Mexico Apprenticeship Assistance Act, Section 21-19A-1, et seq., NMSA 1978.
- New Mexico Finance Authority Act, Section 6-21-1 et. seq., NMSA 1978 as amended from time to time.