

RULES
GOVERNING THE
LOCAL SOLAR ACCESS FUND
UNDER THE NEW MEXICO FINANCE AUTHORITY ACT
AS ADOPTED
BY THE BOARD OF DIRECTORS OF THE
NEW MEXICO FINANCE AUTHORITY
ON OCTOBER 23, 2025
AND
APPROVED BY THE
NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE
ON
NOVEMBER 3, 2025

SECTION 1. AUTHORITY; PURPOSE OF RULES.

On April 8, 2025, Governor Michelle Lujan Grisham signed into law House Bill 128 (2025 Regular) which amended the New Mexico Finance Authority Act, Section 6-21-1 et. seq., NMSA 1978 (“Act”) to create the Local Solar Access Fund (“Fund”) in the New Mexico Finance Authority (“NMFA”) and which authorized the NMFA to provide grants 1) to plan, design, construct, purchase, install and equip solar energy systems used to power buildings and infrastructure located within New Mexico, 2) for technical assistance to apply for federal or other funding for the same purposes, and 3) to pay the administrative costs incurred by the NMFA in carrying out the provisions of the Act.

Section 6-21-5(C) NMSA 1978 provides that the NMFA has the power to adopt such rules as necessary and appropriate to implement the provisions of the Act, subject to the review and approval of the NMFA Oversight Committee. The purpose of these Rules, which may be supplemented by a Policy adopted by the NMFA Board as provided herein, is to govern the implementation of the Fund as authorized by Section 6-21-6.17 of the Act.

SECTION 2. 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. **“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.

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

O. **“Program Policy”** means a policy adopted by the NMFA Board.

P. **“Rules”** means these Rules Governing the Local Solar Access Fund.

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

R. **“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.

S. **“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.

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

U. **“Technical Assistance”** means professional services supporting the application for federal or other funding to plan, design, construct, purchase install or equip Solar Energy System Projects.

V. **“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.

SECTION 3. ELIGIBILITY FOR FINANCIAL ASSISTANCE; SCOPE OF WORK.

A. **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. Applications for Local Solar Access Technical Assistance Grants shall describe a scope of work that includes:

1. the goal for the technical assistance (e.g., Local Solar Access Project Grant funding; other state or federal funding application preparation; direct build); and
2. the technical assistance needed or consultants to be secured (e.g., engineering, compliance, permitting).

B. **Local Solar Access Project Grants.** Applicants meeting the definition of Eligible Entity are eligible to receive Local Solar Access Project Grants from the Fund. Applications for Local Solar Access Project Grants shall describe a scope of work that includes a detailed project description including:

1. A description of the project size, location, and goal for the Local Solar Energy System project;
2. A completed stamped technical design, with maps, diagrams or images, for construction-related projects;
3. A description of the community benefits expected from this project, including how this project will lead to increased community resilience; and
4. If not already achieved, plans for achieving compliance with state and local construction and permitting requirements;

SECTION 4. APPLICATION REQUIREMENTS.

A. Subject to the availability of sufficient monies in the Fund the NMFA will make Application forms publicly available.

B. The NMFA will provide forms and guidelines for Applicants seeking Financial Assistance from the Fund. Applications shall be signed by an Authorized Representative and submitted to the NMFA. Only Applications that are complete will be considered.

C. Applications for Technical Assistance Grants shall include:

1. Contact information (the name, phone number and email address) for the Authorized Representative designated by the Applicant;
2. A description of the scope of work, including the elements listed in Section 3.A; and

3. A deliverables-based project timeline and budget, including a description of alternative funding sources the Application is applying for.

D. Applications for Local Solar Access Project Grants shall include:

1. Contact information (name, phone number and email address) for the Authorized Representative designated by the Applicant;

2. A description of the scope of work, including a description of the benefits of the solar energy system and elements in Section 3.B.

3. A deliverables-based project timeline and budget, including i) a description of available alternative funding sources, ii) an estimate of the cost of the solar energy system, and iii) an estimate of the operating cost savings expected to be achieved by the solar energy system;

4. Proof of application to the utility for interconnection and any expected Interconnection Equipment costs.

SECTION 5. DIVERSIFICATION OF FUNDING

To ensure financial assistance is distributed to diverse communities throughout the state, the following geographic and project diversification limitations are established:

A. Projects

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

2. Financial Assistance will be limited to no more than \$50,000 per Local Solar Access Technical Assistance Grant.

B. Location

1. At least sixty percent (60%) of total funding available must be awarded to Rural Eligible Entities.

2. No more than twenty-five percent (25%) of the Fund will be awarded to Eligible Entities within any one County, including the County itself.

SECTION 6. APPLICATION EVALUATION AND PRIORITIZATION; GRANT APPROVAL.

A. The NMFA may request assistance of third-parties, including without limitation the New Mexico Energy, Minerals and Natural Resources Department, in determining the technical

requirement sufficiency, long-term operating cost-reductions, and sufficiency or adequacy of an Applicant and/or Application.

B. Once Applicants have met the initial criteria outlined in Section 4 above, NMFA will prioritize applications based upon local community impact, financial need, and project location and concentration requirements in accordance with the provisions of the Program Policies, to include:

1. Need and capability to meet the scope of work described in the time allocated;
2. Projected long-term electric energy operating cost reductions;
3. Extent to which project will lead to community resilience, including impact on the provision of community services and emergency shelter;
4. Geographic location (rural/non-rural) and concentration; and
5. Other community benefits that will accrue from the project including long-term cost reduction, energy storage, pricing and workforce development.

SECTION 7. REPORTING.

Recipients of financial assistance from the Fund are required to submit quarterly reports on project progress, and upon completion a final report that includes a summary of the impact of the Solar Energy System Project.

SECTION 8. GRANT AGREEMENTS.

An Eligible Entity, except for an Indian nation, tribe or pueblo, that is made a grant pursuant to this section shall require a contractor of a project funded by the Fund to post a construction contract performance and payment bond as described in Section 13-4-18 NMSA 1978.

SECTION 9. FUND ADMINISTRATION.

A. The Fund shall be administered as a separate account and may consist of subaccounts as the NMFA deems necessary to carry out the purposes of the Fund.

B. Money in the Fund not needed for immediate disbursement may be deposited or invested in the same manner as other funds administered by the NMFA.

C. Money in the Fund may be used to pay administrative costs incurred by NMFA in implementing the Act. Administrative costs may be deducted from Fund assets on a monthly basis.

D. If an Application for Financial Assistance is approved, the NMFA will endeavor to document and fund the Grant as soon as practicable.

If an Application for Financial Assistance is not approved, the Applicant will be notified in writing of the denial as soon as practicable. Such applicant shall not have any right to appeal the decision of NMFA but shall not be prohibited from submitting a new application.

SECTION 10. DURATION AND AMENDMENT OF RULES.

These rules may be repealed at any time by the NMFA and may be amended with prior approval of the Oversight Committee.