

FAQ Grid Modernization Program June 2026

Questions 1-3 are guidance – please check with your legal counsel for clarification

1) Who is eligible to receive grants from the Grid Modernization Fund?

Municipalities and county governments, state agencies, state universities, public schools, post-secondary education institutions, and Indian nations, tribes and pueblos are the entities that are eligible to apply. Co-ops and IOUs are not eligible (but see question No. 3, below).

All projects must take place within New Mexico.

2) I'm an eligible entity. Can we partner with a non-eligible entity? Such as a solar installer, our local Rural Electrical Cooperative, or with PNM/SPS/EPE? If so, how do I choose whom to partner with?

Yes, eligible entities can partner with non-eligible entities. The eligible entity may select partners either before or after applying to EMNRD for Grid Mod funds. Either way, eligible entities must conduct competitive procurement to select any partners, UNLESS that partner is providing “electricity services” (see NMSA 13-1-98(D)) *and* that partner is a publicly provided or publicly regulated electric utility service provider, such as a municipally owned electric utility, a rural electric cooperative, or investor-owned utility.

For example, if an eligible entity wants to spend Grid Mod dollars hiring a private developer to build a solar and battery array, the eligible entity would have to competitively procure that solar and battery developer.

But, if an eligible entity wants to spend Grid Mod dollars hiring an entity to purchase and install grid interconnection equipment that is and will be under the control and ownership of a publicly provided or publicly regulated electric utility service provider (e.g., PNM), the eligible entity may not have to competitively procure that entity (since that entity is providing “electricity services” and is a publicly regulated electric utility service provider).

3) I'm not an eligible recipient as listed above. Can I participate in the Grid Modernization Fund?

Directly, no. However, if an eligible entity chooses to partner with you with you per No. 2, above, you may receive part of the funding. In that case, you may be able to receive the dollars from the eligible entity, subject to your agreement with them.

4) Could an Applicant be, for example, the Department of Transportation, eligible as a state entity, or the associated counties and municipal utilities in the electric cooperatives' territories?

Municipalities and county governments, state agencies, state universities, public schools, post-secondary education institutions, and Indian nations, tribes and pueblos are the entities that are eligible to apply. Co-ops and IOUs are not eligible (but see question No. 3, above).

5) Are rural electric cooperatives territories and grids considered as an eligible 'Applicant Category'?

The non-profit member cooperatives are not eligible entities and cannot be the prime applicant on a grid modernization application. Please see above for more information regarding eligible entities partnering with entities not on the eligibility list. Eligible entities within rural electric cooperative territories are encouraged to collaborate with their service providers on projects.

6) Can an applicant submit proposals for both projects Type 1 and Type 3 at the same time?

Yes, entities can submit individual applications for each project type at the same time. However, Type 3 projects will need to required interconnection approval prior to being considered for funding.

7) Could a successful applicant transfer ownership of capital property acquired as part of the scope of work of a Grid Modernization Project if the successful applicant prefers not to retain ownership or handle maintenance?

The capital property constructed as part of these grant-funded projects will not be the property of EMNRD but of the grant awardees, who should consult with their own legal

counsel with regard to Anti-Donation Clause or other statutory compliance. Compliance with state law is a requirement of the grant.

8) How much funding is available?

Five million dollars is available.

9) Are grid tied and behind the grid design and construction PV/BESS eligible projects?

Yes, these are eligible project types. Applicants will need to demonstrate in their project narratives how the proposed scope of work will meet the objectives of the Grid Modernization program.