

# Grid Modernization Grant Program

June 15, 2026



N E W M E X I C O



Energy, Minerals and Natural Resources Department

# INTRO to ECAM

The Energy Conservation and Management Division (ECAM) is leading the charge to power New Mexico with clean energy and protect New Mexicans' health and safety as the climate changes.

ECAM is committed to developing and deploying solutions that will maximize New Mexico's renewable energy resources and improve energy efficiency and transportation standards. ECAM develops and implements effective clean energy programs to promote economic growth, environmental sustainability, climate resilience, and stewardship of our natural resources.

# Grid Modernization Grant Program Authority

In 2020, the New Mexico Legislature passed the Electric Grid Modernization Roadmap Act (HB 233), a law that instructed the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to establish a grant program to support implementation of a modern grid.

In 2026, the New Mexico Legislature appropriated \$5 million to the grid modernization grant fund.

# Program Goals

**Policy Goal:** Grid Modernization is the solution to achieving efficiencies and meeting the competing objectives of creating a reliable/resilient, clean, affordable electricity system.

**Grid Modernization Program Goal:** Support projects that serve the policy objectives while maximizing the benefits of new funding.

## Project objectives:

- (1) helping to improve electrical system efficiency, reliability, resilience and security; lowering operations and maintenance costs; and meeting energy demands through a flexible, diversified and distributed energy portfolio consistent with New Mexico's energy goals;
- (2) incorporating a new technology or a new or innovative application of an existing technology that will provide useful information to the state, utilities, and the general public related to grid modernization
- (3) having broad applicability to the state or other utility service territories within New Mexico; 17.9.588 NMAC 3
- (4) fostering the public's, students', industry's or a specific government or industry sector's overall understanding and appreciation of grid modernization;
- (5) demonstrating the ability to stimulate in-state economic development, including the creation of jobs and apprenticeships and
- (6) complementing or coordinating with the resource planning processes of public utilities

# Eligible Entities

## Eligible Entities

- Municipal and County governments
- State agencies
- State universities
- Public schools
- Post-secondary education institutions
- Indian Nations, Tribes and Pueblos

**We encourage collaborative partnerships.**

## **Further Guidance for entities interested in applying for grid modernization funding\*:**

### **(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 which are eligible to apply. Co-ops and IOUs are not eligible (but see question 3 in a following slide).

All projects must take place within New Mexico.

***\*please check with your legal counsel for clarification***

## **Further Guidance for entities interested in applying for grid modernization funding (2 of 3)\*:**

**(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 chose 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 & battery array, the eligible entity would have to competitively procure that solar & 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 (say 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).

***\*please check with your legal counsel for clarification***

## **Further Guidance for entities interested in applying for grid modernization funding (3 of 3)\*:**

**(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 per #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.

***\*please check with your legal counsel for clarification***

# Project Types

Typical projects will fit within one of three types.

<b>Type 1:</b>	Original research projects that advance the state's understanding and appreciation of grid function, reliability, resilience, security and operation as it relates to the integration of renewable and zero-carbon resources, including impacts on customer behavior, operations and maintenance costs or the value of specific grid technologies.
<b>Type 2:</b>	Pre-construction or design activities to support grid modernization construction/installation projects.
<b>Type 3:</b>	Construction, installation, operation and verification of a grid modernization technology at a project site.

# Exclusions

## Funding may not be used to:

- Purchase land, buildings, or structures, or any interest therein;
- Subsidize utility rate demonstrations or state tax credits for energy conservation or renewable energy measures; nor
- Conduct research, development, or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available, or purchase equipment for the conduction thereof.

# Compliance Requirements

- All selected Applicants shall provide a statement to demonstrate acknowledgement of **compliance** with all applicable federal, state and local environmental laws, including but not limited to the Cultural Properties Act, NMSA 1978 §§ 18-6-1 through 18-6-17, and the Endangered and Protected Species Act NMSA 1978 §§ 17-1-14 through 17-5-21.

# Application Submission and Scoring

Applications will be accepted on August 15, 2026.

- Type 1 and 2 Projects shall be completable two years after the date of the fully executed contract.
- Type 3 Projects shall be completable four years after the date of the fully executed contract.

# Project Proposal Scoring Rubric and Evaluation Process

The evaluation process will follow the steps listed below:

A. The Program Manager will document the contents of competitive applications after the submittal deadline.

B. The Evaluation Team will review applications for compliance with the mandatory requirements stated within this NOFO. Funding will be allocated to the highest scoring projects in all categories until the funding is fully allocated.

C. The Evaluation Team will evaluate responsive applications based on completeness and the criteria in Section IX, Funding Application Evaluation Criteria.

Score	
-1	Non-responsive
1	Responsive/meets minimum threshold
2	Strong case/outcomes likely but not demonstrated
3	Demonstrates proof of concept and expected results

No.	Description of Evaluation Criterion	Points Available
1	Capability to meet the scope of work described. ECAM will consider the project timeline, appropriateness of deliverables, qualifications of project team members including subcontractors, and the applicant's financial ability to complete the project in the event of cost overrun.	3
2	Alignment with state grid modernization goals. ECAM will consider the project's potential to innovatively advance grid reliability, resilience, security and cost effectiveness.	3
3	Replicability and Broader Impact. ECAM will consider the potential for widespread adoption of a grid technology (Types 2 and 3) or broader impact and applicability of any research findings (Type 1).	3
	Application Completeness ECAM will determine if the applicant submitted all the required application materials per Section VII of this NOFO.	Pass/Fail
5	Educational value. ECAM will consider the potential for fostering the public's, students' or industry's overall understanding of grid modernization.	3
6	Funding match. ECAM will prioritize projects for which Applicants have secured non-state funding, including in-kind contributions.	1
7	Applicant Category. ECAM will prioritize projects from unrepresented Applicant categories. Categories include: (a) an Indian nation, tribe or pueblo; (b) a rural community served by a rural electric cooperative; (c) a rural community served by an investor-owned public utility; (d) an urban or semi-urban municipality or county; and (e) an institution of higher education.	Pass/Fail

# Application Contents:

1. Letter of transmittal
2. Project narrative
  - Applicant must describe how the project aligns with the program's goals
3. Proof of utility support
  - Type 1/2 letter should reference the project specifically
  - Type 3 applicants shall include a complete interconnection packet from the utility.
4. Budget
5. Timeline
6. Proof of technical capabilities

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## Questions:

- Submit questions to the email below.
- All questions are due by June 17, 2026
- Responses will be posted on June 29, 2026 to the ECAM Requests for Proposals Website and emailed to those in attendance today.

[Requests for Proposals - Energy Conservation and Management](#)

**Applications will be accepted electronically to this email:**

**Application due date:  
August 15, 2026**

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