

# Request for Information

## to Leverage Federal Funding Programs for Clean Energy Projects in New Mexico

### Introduction

The Energy Conservation and Management Division of the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) is soliciting information from potential public- and private-sector partners on potential opportunities to support projects that advance state-level decarbonization and energy resilience goals, leveraging co-financing from EMNRD and the Department of Energy's (DOE) Loan Programs Office (LPO) and/or other federal funding mechanisms. Alongside the Governor's Office, a number of New Mexico state agencies are collaborating to identify candidate projects by ensuring that this RFI reaches a wide range of eligible stakeholders; EMNRD's state government collaborators will include, but are not limited to, the New Mexico Finance Authority (NMFA), the New Mexico Environment Department (NMED), and the Economic Development Department (EDD).

This Request for Information (RFI) is for information-gathering purposes only and should not be construed as a solicitation or obligation on the part of EMNRD to provide funding. EMNRD is especially interested in projects that advance end use building technologies, low-emission affordable housing, clean energy and distributed energy resources, industrial-scale solar, wind, electric vehicle, battery, or other clean energy manufacturing and recycling facilities and/or supporting infrastructure, and grid improvement and management technologies. Moreover, EMNRD is interested in projects that reduce energy poverty and energy burden for New Mexico's most underserved communities, especially on sites of key public infrastructure such as schools.

### Background

The purpose of this RFI is to solicit initial feedback on potential uses for DOE LPO funds in the state of New Mexico, with EMNRD acting as a the SEFI to co-apply for these funds and a contributor of "meaningful support" to unlock the DOE's investments. The LPO is the DOE's internal development agency able to issue loans and loan guarantees to qualified borrowers. The LPO's scale and scope were expanded by the Bipartisan Infrastructure Law and the Inflation Reduction Act. Under the Title 17 State Energy Financing Institution (SEFI) loan authority, the LPO is authorized to waive its "innovative technology requirements" on

lending if a SEFI provides what the LPO considers “meaningful” financial support to the project. This means that New Mexico must also invest in these projects. By leveraging federal funding from DOE LPO through becoming a SEFI, EMNRD can implement decarbonization projects that meet New Mexico’s decarbonization objectives while building our green economy. Wherever appropriate, EMNRD can also use LPO support in conjunction with other state and federal funding.

In this RFI, EMNRD is examining a variety of possible uses for state and federal funding including:

- Concessional loans
- Bridge loan financing (Construction or other types)
- Loan loss guarantees
- Grants
- Tax credit incentives
- In-kind project development contributions such as the use of state land or facilities

EMNRD, in examining all options for providing meaningful support, also asks applicants to provide input into the kinds of project financing arrangements they might prefer, as well as any existing monies possessed by the applicant to contribute toward project costs.

Upon receiving EMNRD’s meaningful support, LPO can provide concessional loans and loan guarantees. However, the LPO application process generally requires a \$100 million minimum transaction size per state application, which can be composed of a portfolio of aggregated projects if applicable. Therefore, EMNRD does not wish to discourage RFI responses for projects that are less than \$100M, as multiple related projects can be bundled into a single application to meet the \$100M threshold. EMNRD seeks responses from private industry, public entities (including but not limited to school districts, municipalities, counties, public power organizations, special districts), Tribes, and non-profit organizations to better understand the kinds of projects seeking state and federal funding across the state.

## Project Types

EMNRD is seeking opportunities to partner with project developers to establish financing for projects that reduce carbon emissions and increase the resilience of our energy system. Per LPO’s rules, SEFI-supported projects must fall into one of 13 technology categories:<sup>1</sup>

1. Renewable energy systems

2. Advanced fossil energy technology
3. Hydrogen fuel cell technology
4. Advanced nuclear energy
5. Carbon capture and sequestration technologies
6. Efficient electrical generation, transmission, and distribution
7. Efficient end-use energy technologies
8. Production facilities for the manufacture of fuel-efficient vehicles or parts of those vehicles
9. Pollution control equipment
10. Oil refineries
11. Energy storage technologies
12. Industrial decarbonization technologies
13. Supply of critical minerals

EMNRD is seeking to gauge private, public, and nonprofit interest in developing and operating emissions-reducing projects in a subset of these categories that align with statewide deployment targets. A “project” can mean any of the following: R&D, pilot, field-scale, or full-scale. Target projects include but are not limited to:

- Electricity transmission and distribution infrastructure, such as grid-enhancing technologies
- Transmission and distribution grid upgrades that allow for better integration of variable resources, smart transformers, reconductoring, and grid-enhancing technologies onto the existing grid
  - Interconnection equipment upgrades
- Industrial decarbonization technologies
- Renewable energy installation, including utility-scale and distributed-scale resources, and virtual power plants
- Large-scale renewables that provide Free Electricity Economic Development Zones (FEEDZ) to promote energy equity for New Mexico’s disadvantaged communities and to promote a friendly business environment to enhance economic development
- Tribal clean energy initiatives
- Clean energy projects for rural and underserved communities

- Advanced Geothermal
- Recycling centers for batteries, solar panels, and/or wind turbines
- Grid-scale energy storage such as iron air batteries, CO<sub>2</sub> batteries, gravity energy storage systems, geothermal batteries, or other types of energy storage systems that have a storage capacity greater than four hours
- Hydrogen fueling stations for heavy-duty trucking along major transportation corridors, such as I-40, I-25 and I-10
- Pre-weatherization improvements for residences
- Brine mining for critical minerals, such as lithium, from New Mexico's produced and brackish water
- Advanced manufacturing
- Energy manufacturing facilities for wind turbines, solar panels, or other types of clean energy component manufacturing
- Sustainable mining standards certification and pilot mine
- Other clean energy projects that contribute to meeting New Mexico's climate goals

The list of possible projects above is informational only and is not exhaustive of the potential projects that may be funded.

EMNRD is also monitoring a number of other federal funding opportunities for which competitive projects may be eligible and, as such, EMNRD seeks also to understand the landscape of non-LPO prospective projects existing within the state and Tribal nations.

## Response

The RFI is intended for anyone planning to invest in clean energy and seeking financing options, or with ideas for moving the state forward in deploying clean energy and expanding the clean energy economy at scale. This includes but is not limited to:

- Businesses of all sizes
- Economic development organizations
- Local units of government and other community leaders
- Community organizations
- Financial institutions, including community development financial institutions
- Energy infrastructure owners and developers
- Public institutions, including but not limited to universities and colleges
- Tribal nations

The following is a list of considerations for RFI respondents. Respondents do not need to address every question. Respondents may provide detailed responses and examples.

- The responding organization’s name, and a brief description of the organization’s business, mission, or governing mandate.
- Description of potential projects you are interested in developing and securing financing for.
- Identify the phase the proposed project is in, e.g., idea phase, feasibility study phase, development phase, or construction phase. Information about project viability should also elaborate on the type of technology proposed, including technological readiness (including manufacturing readiness level) and the overall technical feasibility of the proposed project.
- The project lead and project team’s existing development experience, especially experience bringing similar projects to completion.
- Project feasibility considerations, including whether the organization has secured rights to a proposed project development site(s). Respondents would benefit from providing detailed information about siting, permitting, and easements.
- Public benefits of project development, including labor and emissions-reduction benefits. This could include a summary of community benefits and workforce development strategy.
- Current financing prospects, and capital stack to date, if possible. Respondents might also consider listing previous funding they have received to increase project readiness or feasibility, as prior funding might make them more competitive.
- A description of how EMNRD can assist with improving project viability and preferred investment mechanisms, and any impact that state and LPO financing could have on pricing decisions.
- Status of existing project pipeline (if any) and project progress.
- Domestic content outlook, including a description of your potential supply chain and subcontractors and your ability to engage in a domestic content attestation as required by federal law for projects securing federal support.
- Relevant existing or pending contracts or applications with the State of New Mexico or other relevant entities.
- Other technical assistance capabilities and/or needs.

EMNRD will consider responses received by September 30, 2024. Responses received after this date may be considered later, pending program progress and needs. Written responses must be submitted via one of the following options:

- Email: [rebecca.stair@emnrd.nm.gov](mailto:rebecca.stair@emnrd.nm.gov), as a PDF with the subject line "SEFI RFI response"
- Regular United States mail to:

Rebecca Stair

Energy, Conversation and Management Division

Energy, Minerals and Natural Resources Department

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Santa Fe, NM 87505

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Respondents should submit information only that they wish to make publicly available and should not enclose any information considered confidential or inappropriate for public disclosure.

Due to the volume of responses anticipated, it is not feasible for EMNRD to incorporate or respond to all input received.

## Virtual Meeting

EMNRD will hold a virtual group meeting for individuals and organizations to participate in and share information related to this RFI. This meeting will be held virtually at the following time:

- Virtual Meeting: Friday August 30<sup>th</sup>, 2024, 3:00 – 4:30 pm MST

Please register for the meeting using the following link:

<https://events.gcc.teams.microsoft.com/event/32a17120-7927-45b5-afef-036764c23173@04aa6bf4-d436-426f-bfa4-04b7a70e60ff>

Details for accessing the virtual meeting will be sent directly to those who register.

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<sup>1</sup> Department of Energy, Loan Program Office, “Title 17 Clean Energy Financing Program”.  
<https://www.energy.gov/lpo/articles/t17-downloadable-handout-innovative-projects>