

TITLE 3 TAXATION
CHAPTER 3 PERSONAL INCOME TAXES
PART 14 NEW SOLAR MARKET DEVELOPMENT INCOME TAX CREDIT

3.3.14.1 ISSUING AGENCY: Energy, Minerals and Natural Resources Department, Energy, Conservation and Management Division.
[3.3.14.1 NMAC - N, 8/25/2020]

3.3.14.2 SCOPE: 3.3.14 NMAC applies to the application and certification procedures for administration of the new solar market development income tax credit.
[3.3.14.2 NMAC - N, 8/25/2020]

3.3.14.3 STATUTORY AUTHORITY: 3.3.14 NMAC is established under the authority of ~~Laws 2020, Chapter 13, Section 7-2-18-31 and Subsection 9-1-5 NMSA 1978.~~
[3.3.14.3 NMAC - N, 8/25/2020]

3.3.14.4 DURATION: Permanent.
[3.3.14.4 NMAC - N, 8/25/2020]

3.3.14.5 EFFECTIVE DATE: August 25, 2020 unless a later date is cited at the end of a section.
[3.3.14.5 NMAC - N, 8/25/2020]

3.3.14.6 OBJECTIVE: 3.3.14 NMAC's objective is to establish procedures for administering the certification program for the new solar market development income tax credit.
[3.3.14.6 NMAC - N, 8/25/2020]

3.3.14.7 DEFINITIONS:

A. "Applicant" means a New Mexico taxpayer that has installed a solar energy system at a residence, business or agricultural enterprise that the taxpayer owns who desires to have the department certify the solar energy system pursuant to 3.3.14 NMAC so that the ~~tax payer~~taxpayer may receive a state tax credit.

B. "Application package" means the application documents an applicant submits to the department for certification to receive a state tax credit.

C. "Array" means the collectors of a solar thermal system or the modules of a photovoltaic system.

D. "Balance of system" means portions of a solar energy system other than the array.

E. "Building code authority" means the New Mexico regulation and licensing department, construction industries department or the local government agency having jurisdiction for building, electrical and mechanical codes.

F. "Certified" or "certification" means department approval of a solar energy system, which makes the applicant owning the system eligible for a state tax credit.

G. "Collector" means the solar thermal system component that absorbs solar energy for conversion into heat or electricity.

H. "Collector aperture" means the area of a solar thermal collector that absorbs solar energy for conversion into usable heat.

I. "Component" means a solar energy system's equipment and materials.

J. "Department" means the energy, minerals and natural resources department.

K. "Division" means the department's energy conservation and management division.

L. "Energy system" means an engineered system that delivers solar energy to an end use by flow of fluid or electricity caused by energized components such as pumps, fans, inverters or controllers.

M. "Install" or "installation" means the direct work of placing a solar energy system into service to operate and produce energy at the expected level for a system of its size, which shall include completion of any required final inspections or contractor certification of installation on tribal or pueblo land.

~~**N. "Interconnection"** means connection of a photovoltaic system that an electric utility customer operates to that utility's distribution grid system.~~

~~**O. "Interconnection agreement"** means an agreement allowing the applicant to interconnect a solar energy system of a specified type and size to a suitable electric transmission or distribution line.~~

~~P.~~ N “Module” means the photovoltaic system component that absorbs sunlight for conversion into electricity.

QO. “New” means the condition of being recently manufactured and not used previously in any installation.

RP. “New solar market development income tax credit” means the personal income tax credit the state of New Mexico issues to a taxpayer for a solar energy system the department has certified pursuant to 3.3.14 NMAC.

SQ. “Non-residential” means a business or agricultural enterprise.

FR. “OG” means operating guidelines that the solar rating and certification corporation has or will establish including system performance or component characteristics as defined in the applicable SRCC defines in its directory. Operating guidelines shall be from ~~the~~SRCC directory in effect on March 1, 2006 ~~and~~ for any applicable successive revisions.

US. “Portable” means not permanently connected to a residence, business or agricultural enterprise or connected to a mobile vehicle that is a part of a residence, business or agricultural enterprise.

VT. “Solar collector” means a solar thermal collector or photovoltaic module.

WU. “Solar energy system” means a solar thermal system or photovoltaic system.

XV. “Solar storage tank” means a tank provided as a component in a solar thermal system that is not heated by electricity or a heating fuel.

YW. “SRCC” means the solar rating and certification corporation.

ZX. “Standard test conditions” means the environmental conditions under which a manufacturer tests a photovoltaic module for power output, which are a photovoltaic cell temperature of 25 degrees Celsius and solar insolation of 1000 watts per square meter on the photovoltaic cell surface.

AA. “State tax credit” means the new solar market development income tax credit.
[3.3.14.7 NMAC - N, 8/25/2020]

3.3.14.8 GENERAL PROVISIONS:

A. Only a New Mexico ~~applicant~~individual taxpayer, corporation or agricultural enterprise who has purchased and installed ~~, on property that he, she, or the corporation owns,~~ an operating solar energy system ~~on property that he or she owns, and~~ that the department has certified pursuant to this part is eligible for a state tax credit for the tax year in which the system is installed.

B. An applicant must own the residence, business, or agriculture enterprise on which the solar energy system is located to qualify for the tax credit. The applicant may rent a residence, business or agricultural enterprise that the applicant owns to another entity. ~~The, however, the~~ renter does not qualify for the tax credit.

C. The annual aggregate amounts of the state tax credit available to applicants owning certified solar energy systems is limited to ~~\$812,000,000~~ per calendar year. When the ~~\$812,000,000~~ limit for solar energy systems is reached based on the total of applicants certified, the department will no longer certify systems in that year. Applications received after the aggregate limit is reached shall not be approved and will be returned to applicant. The department shall keep a record of the order of receipt of all application packages to ensure the annual aggregate amount is not exceeded in any given year.

D. In the event of a discrepancy between a requirement of 3.3.14 NMAC and an existing New Mexico regulation and licensing department or New Mexico taxation and revenue department rule promulgated prior to 3.3.14 NMAC’s adoption, the existing rule shall govern.
[3.3.14.8 NMAC - N, 8/25/2020]

3.3.14.9 APPLICATION:

A. To apply for a state tax credit an applicant shall submit an application ~~package for a certificate of eligibility~~ to the division ~~through a secure using either a department-developed application or an approved electronic portal or application system as directed by mail~~ the division director. The department will not accept applications submitted by ~~email~~ email unless specifically authorized by the division. An applicant may obtain a state tax credit application form and system installation form from the division.

B. An application package shall include a completed state tax credit application form and written attachments for a solar thermal system or photovoltaic system. ~~The applicant shall submit~~ To be considered complete, an application must include the state tax credit application form and any required attachments ~~required at the same time as a complete application package, partial applications will not be accepted.~~ An applicant shall submit one application package for each eligible solar energy system. If there are multiple owners of the property

where the solar energy system is installed a joint application must be submitted. ~~All material submitted in the application package shall be capable of being provided on 8½ inch x 11 inch paper.~~

C. The application package shall meet 3.3.14 NMAC's requirements. If an application package fails to meet a requirement, the department shall disapprove the application.

D. The completed application form shall consist of the following information:

- (1) the applicant's name, mailing address, telephone number and social security number or employer identification number (EIN) provided by a business or agricultural enterprise;
- (2) the address where the solar energy system is located, if located at a residence, business or agricultural enterprise, or a location description if located at an agricultural enterprise;
- (3) the solar energy system's type and description;
- (4) the date the solar energy system ~~started continuous operation~~ was installed;
- (5) if a contractor installed the solar energy system, the contractor's name, address, telephone number, license category and license number;
- (6) acknowledgement that the applicant installed the solar energy system, if applicable;
- (7) the net cost of equipment, materials and labor of the solar energy system, excluding the expenses and income listed in 3.3.14 NMAC;
- (8) a statement that the applicant signed and dated, which may be a form of electronic signature if approved by the department, agreeing that:
 - (a) all information provided in the application package is true and correct to the best of the applicant's knowledge;
 - (b) applicant has read the certification requirements contained in 3.3.14 NMAC;
 - (c) applicant understands that there is annual aggregate cap on available state tax ~~credit limit~~ credits in place for solar energy systems and that they are only eligible for a credit in the year the system was installed;
 - (d) applicant understands that the department must certify the solar energy system documented in the application package before becoming eligible for a state tax credit;
 - (e) applicant agrees to make any changes the department requires to the solar energy system for compliance with 3.3.14 NMAC; and
 - (f) to ensure compliance with 3.3.14 NMAC applicant agrees to allow the department or its authorized representative to inspect the solar energy system that is described in the application package at any time after the date of submittal of the application package until three years after the department has certified the solar energy system, upon the department providing a minimum of five days' notice to the applicant.

E. The application ~~form shall request the following information from the applicant:~~

- ~~(1) applicant's email address; and~~
- ~~(2) contractor's email address.~~

F. ~~The application~~ package shall consist of the following information provided as attachments:

- (1) a copy of a current property tax bill ~~to the applicant or other equivalent proof of~~ ownership in the applicant's name for the residence, business or agricultural enterprise where the solar energy system is located;
- (2) a copy of the invoice of itemized equipment and labor costs for the solar energy system;
- (3) a copy of the solar energy system's design schematic and technical specifications as described in 3.3.14 NMAC;
- (4) a completed system installation form;
- (5) if application is for a solar thermal system, a completed solar thermal list form that includes the:
 - (a) manufacturer or supplier of system components and their model numbers;
 - (b) number of collectors;
 - (c) collector aperture dimensions;
 - (d) orientation of collectors by providing the azimuth angle from true south and tilt angle from horizontal;
 - (e) SRCC solar collector certification identification number;
 - (f) a description of the freeze protection;
 - (g) a description of overheating protection;
 - (h) thermal storage fluid or material and its volume, if thermal storage is a part of the system and if the thermal storage does not have energy provided from a non-solar or non-renewable source; and
 - (i) manufacturer's specifications for collectors, if collectors are unglazed;

(6) if application is for a photovoltaic system, a completed solar photovoltaic list form that includes the:

- (a) manufacturer or supplier of major system components and their model numbers;
- (b) number of modules;
- (c) module rated direct current power output in watts under manufacturer's standard test conditions;
- (d) collectors' orientation by providing the azimuth angle from true south and tilt angle from horizontal;
- (e) total inverter capacity in kilowatts, if an inverter is a part of the system;
- (f) battery storage size and capacity in kilowatts and kilowatt-hours, if battery storage is a part of the system; and

~~(g) the contract number and a copy of the signature pages of the interconnection agreement with the electric utility if the photovoltaic system is interconnected to a utility transmission line or distribution system; and~~

(7) other information the department needs to evaluate the specific system type for certification.

GF. The completed system installation form shall include the following information:

(1) printed name of the applicant who is identified on the application form;

(2) printed name, title and telephone number of the contractor's authorized representative, if applicable, who approved the system installation form;

(3) printed organizational name, e-mail address and telephone number of the building code authority issuing the building permit, if applicable;

(4) date on which solar energy system installation was substantially complete and ready/received a passing inspection pursuant to applicable rules or code if applicable;

(5) if a contractor installed the solar energy system, a statement that the contractor's authorized representative has signed and dated, which may be a form of electronic signature if approved by the department, agreeing that:

(a) the solar energy system was installed in full compliance with all applicable federal, state and local government statutes or ordinances, rules or regulations and codes and standards that are in effect at the time of installation;

(b) contractor has read 3.3.14 NMAC's certification requirements;

(c) the date on which the solar energy system was ready to operate; received a passing inspection pursuant to applicable rules or code if applicable;

(d) the installed solar energy system will work properly with regular maintenance; and

(e) contractor provided written operations and maintenance instructions to the applicant and posted a one-page summary of these instructions in a sheltered accessible location acceptable to the applicant and which is near or at the solar energy system's array or balance of system components; and

(6) the building code authority's permit number and issuance date, and date of successful inspection, if applicable, noted on a physical form, photo of inspection sticker or a web-based report the applicable building code authority approves.

[3.3.14.9 NMAC - N, 8/25/2020]

3.3.14.10 APPLICATION REVIEW PROCESS:

A. The department shall consider complete applications in the order received. If the department receives multiple applications on the same day that would cumulatively exceed the overall limit of state tax credit availability, the department shall certify the first application received for the last remaining tax credit.

B. The department shall review the application package to calculate the state tax credit, check the accuracy of the applicant's documentation and determine whether the department shall certify the solar energy system. The department shall disapprove an application that is not complete, correct, or does not meet the approval criteria.

C. If the department finds that the application package meets 3.3.14 NMAC's requirements and a state tax credit is available, the department shall certify the applicant's solar energy system and document the applicant as eligible for a state tax credit. If a state tax credit is not available in the calendar year when the application was submitted, the applicant is notified that the program has reached the tax credit cap and their application is not certified. The department provides certification through written notification to the applicant. The

notification shall include the applicant's contact information, last four digits of the social security number or EIN, system certification number and the state tax credit amount.

D. The department shall report to the taxation and revenue department the information required to verify, process and distribute each state tax credit by providing a copy of the department's certification notification.

E. The applicant may submit a revised application package to the department. ~~The department; however, the division shall place the resubmitted application in the review schedule as if it were a new application unless the application is disapproved because the annual cap has been reached.~~

~~F. The department shall disapprove an application that is not complete or correct or does not meet the approval criteria. The department shall also disapprove applications received after the annual cap for that calendar year is reached. The~~ **F.** ~~If applicable, the~~ department's disapproval letter shall state the reasons why the department disapproved the application. The applicant may resubmit the application package for ~~the~~ disapproved project. ~~The department places the resubmitted application in the review schedule, but it shall be reviewed~~ as if it were a new application.

[3.3.14.10 NMAC - N, 8/25/2020]

3.3.14.11 SAFETY, CODES AND STANDARDS:

A. Solar energy systems that the department may certify shall meet the following requirements:

(1) compliance with the latest adopted version of all applicable federal, state and local government statutes or ordinances, rules or regulations and codes and standards that are in effect at the time that the applicant submits the application package;

~~(2) compliance with all applicable utility company or heating fuel vendor requirements, if the system being served with a solar energy system is also served by utility electricity or a heating fuel;~~

~~(3)~~ (2) compliance with the building code authority's structural design requirements, as applicable to new and existing structures upon which solar energy system components may be mounted and support structures of solar energy system components;

(4) permitted and inspected by the applicable building code authority for building, electrical or mechanical code compliance, as applicable to the type of solar energy system installed, if applicable; and

(5) a written final inspection approval obtained from the applicable building code authority after the solar energy system's installation, as applicable to the solar energy system type, if applicable.

B. Solar thermal systems that the department may certify shall meet the following requirements:

(1) installation by a certified mechanical journeyman who is an employee of a company holding a valid New Mexico mechanical contractor license; and

(2) design, permitting and installation in full compliance with all applicable provisions of the New Mexico Plumbing Code 14.8.2 NMAC, the New Mexico Mechanical Codes 14.9.2 NMAC, Solar Energy Code 14.9.6 NMAC, the New Mexico General Construction Building Codes, 14.7.2 to 14.7.7 NMAC and any amendments to these codes adopted by a political subdivision -that has validly exercised its planning and permitting authority under Sections 3-17-6 and 3-18-6 NMSA 1978.

C. Photovoltaic systems that the department may certify shall meet the following requirements:

(1) installed by a certified electrical journeyman who is an employee of a company holding a valid New Mexico electrical contractor license; and

(2) design, permitting and installation in full compliance with all applicable provisions of the New Mexico Electrical Code 14.10.4 NMAC and any amendments to these codes adopted by a political subdivision that has validly exercised its planning and permitting authority under Sections 3-17-6 and 3-18-6 NMSA 1978.

[3.3.14.11 NMAC - N, 8/25/2020]

3.3.14.12 SOLAR COLLECTOR AND MODULE ORIENTATION AND SUN EXPOSURE:

A. A solar energy system array the department certifies shall have an azimuth angle or sun exposure reduction due to shading or other factors that results in annual energy production of the total solar energy system having a combined derating of not more than twenty five percent when compared to an ideal solar energy system at the same location that has an unshaded array tilt equal to local latitude and azimuth of true south. For cases in which the combined impact of orientation and sun exposure of an array is evaluated, the applicant shall estimate a derating using a department approved method or model.

B. A tracking array of a solar energy system that the department certifies shall have a mechanism to track the sun so that the array absorber surface consistently receives the sun's direct beam at all times when the direct beam of full sun is available, without requiring manual adjustment, except for a solar energy system having the following tracking array control features:

(1) automatic and intentional stowage of the array due to high velocity wind to avoid damage to the array and its support structure;

(2) automatic and intentional adjustment to off-direct-beam array orientations at low sun angles to optimize the solar energy system's annual energy production; or

(3) other automatic and intentional array control features that demonstrate to the department's satisfaction that the solar energy system's annual energy production is optimized.

C. A solar energy system that the department certifies shall have an array and balance of system components that are automatically controlled to collect sunlight or solar heat and deliver to an end use, without requiring manual operation.

D. It is the applicant's sole responsibility to take action or meet the Solar Rights Act's requirements, if applicable.

[3.3.14.12 NMAC - N, 8/25/2020]

3.3.14.13 MINIMUM SYSTEM SIZES, SYSTEM APPLICATIONS AND LISTS OF ELIGIBLE COMPONENTS:

A. Solar energy systems or their portions that the department may certify shall meet the following requirements:

(1) be made of new equipment, components and materials;

(2) if installed by a contractor, have a written minimum two-year warranty provided by the contractor on parts, equipment and labor with the following exceptions:

(a) the warranty provided by the contractor on each specific piece of equipment shall not exceed the duration and conditions of the warranty provided by the manufacturer of the equipment against defects in materials and workmanship; and

(b) in the case of an expansion of an existing system, the warranty provided by the contractor shall be limited to cover only parts, equipment and labor directly related to the expansion;

(3) be a complete energy system that collects, converts and distributes solar energy to the residence, business or agricultural enterprise it serves, unless requirements are met for expansion of an existing solar energy system;

(4) if an expansion of an existing solar energy system, end use annual energy production of the new system shall be increased in comparison to the existing system by the amount of the minimum system size requirement and the contractor or applicant shall provide a written summary of the condition of each major component of the system; and

(5) if a specialty component is required for a complete solar energy system, then that component shall be included as part of the solar energy system that is eligible for department certification.

B. Solar energy systems or their portions that the department shall not certify are as follows:

(1) a system or portion of a system that uses non-solar or non-renewable sources in its operation, except for the following:

(a) power necessary to provide for solar energy system components' incidental electricity needs; and

(b) non-solar or non-renewable sources that do not exceed twenty five percent of the system's annual energy production;

(2) a system or portion of a system that would be present if the solar energy system was not installed;

(3) a system that increases an existing residence, business or agricultural enterprise's average annual energy consumption;

(4) a system that is mobile and does not serve a permanent end use energy load or is not permanently located in New Mexico;

(5) a system that is not connected to a structure or foundation and does not serve a permanent end use energy load or is not permanently located in New Mexico;

(6) a system or portion of a system having one or more components not manufactured on a regular basis by a business enterprise;

(7) a system installed on a recreational vehicle;

(8) a system not serving an end use energy load; or

(9) a system or portion of a system that replaces a system or portion of a system the department has certified in a previous application for a state tax credit.

C. The department may disapprove a system type, solar thermal collector type, photovoltaic module type or a solar energy system component if not listed in 3.3.14 NMAC for certification.

D. Solar thermal systems that the department may certify include:

(1) the system applications of solar domestic hot water, solar space heating, solar air heating, solar process heating, solar space cooling or combinations of solar thermal system applications listed in 3.3.14 NMAC;

(2) the collector types of flat plate, parabolic trough and evacuated tube; and

(3) the listed component categories of collectors, pumps, fans, solar storage tanks, expansion tanks, valves, controllers and heat exchangers.

E. A solar thermal system component that the department may certify is a photovoltaic system providing power for a solar thermal system component's incidental electricity needs. The department shall not certify such a photovoltaic system as a separate solar energy system eligible for a separate state tax credit.

F. Solar thermal systems or their components that the department shall not certify are as follows:

(1) a heating system or heating system components necessary for a swimming pool or a hot tub;

(2) equipment sheds, wall preparation, cabinetry, site-built enclosures, distribution piping and associated installation costs;

(3) a building design element used for passive solar space heating, space cooling, daylighting or other environmental comfort attribute;

(4) a water quality distillation or processing system;

(5) in a combined system, the portions of the system not allowed to receive a state tax credit or for which the department shall not certify the system;

(6) systems without adequate freeze protection;

(7) systems incorporating drain down as a freeze protection method;

(8) systems without adequate overheating protection; and

(9) systems using solar rated low-pressure components with high pressure refrigerant compressors.

G. Solar thermal systems that the department may certify shall meet the following requirements:

(1) minimum system size of 15 square feet of solar collector aperture area;

(2) for solar domestic hot water systems installed at a residence or business, a minimum of fifty percent of the total domestic water heating load provided by solar energy;

(3) a collector that is:

(a) listed as certified by the SRCC by OG-100 collector certification or OG-300 system certification processes;

(b) if glazed, made of all-metal enclosures, absorber plates, fasteners and fittings; aperture glazing of tempered glass; and fiberglass or polyisocyanurate insulation; or

(c) if unglazed, made of durable materials having a minimum 12-year warranty period for full replacement; and

(4) all components approved by an agency accredited by the American national standards institute, if available for that specific component category.

H. Photovoltaic systems that the department may certify include:

(1) the system applications of direct power without battery storage, utility grid interconnected without battery storage, utility grid interconnected with battery storage, stand-alone with battery storage, stand-alone with utility backup capability and water pumping;

(2) the flat plate module types of crystalline, poly-crystalline or thin-film amorphous silicon;

(3) the listed component categories of modules, inverters, batteries, manufactured battery enclosures, charge controllers, power point trackers, well pumps, racks, sun tracking mechanisms, performance monitoring equipment, communications, datalogging or lightning protection; and

(4) disconnect components, safety components, standard electrical materials and standard electrical hardware necessary for the assembly of the listed component categories into a complete, safe and fully operational system.

I. Photovoltaic systems that the department may certify shall meet the following requirements:

(1) a minimum total array power output of 100 watts direct current at manufacturer's standard test conditions;

(2) all components listed and labeled by a nationally recognized testing laboratory, if such listing is available for that specific component category; and

(3) an agricultural enterprise photovoltaic system on a farm or ranch that is not connected to an electric utility transmission or distribution system.

J. Photovoltaic systems or their portions that the department shall not certify are as follows:

(1) a commercial or industrial photovoltaic system that is not connected to an electric utility transmission or distribution system;

(2) power equipment sheds, wall preparation, cabinetry, site-built battery enclosures, distribution wiring and associated installation costs;

(3) the drilling, well casing, storage tanks, distribution piping, distribution controls and associated installation costs of a water pumping system; and

(4) a packaged product powered by photovoltaic cells that an applicant purchased directly from a retail business enterprise, is not custom designed, and does not require a permit from the building code authority for installation, including watches, calculators, walkway lights and toys.

[3.3.14.13 NMAC - N, 8/25/2020]

3.3.14.14 CERTIFICATION:

A. The purpose of the department's certification program is to evaluate certification of complete solar energy systems for state tax credit eligibility that are comprised of components and materials that are tested, certified, approved or listed, as applicable, by other organizations identified or referenced in 3.3.14 NMAC.

B. For purposes of monitoring compliance with 3.3.14 NMAC, the department or its authorized representative shall have the authority to inspect a solar energy system owned by an applicant who has submitted an application for certification, upon the department providing five days' notice to the applicant.

[3.3.14.14 NMAC - N, 8/25/2020]

3.3.14.15 CALCULATING THE SOLAR ENERGY SYSTEM COST:

A. A state tax credit shall be based on the equipment, materials and labor costs of a solar energy system the department has certified.

B. The equipment, materials and labor costs of a solar energy system the department certifies shall be documented in writing.

C. The cost of a solar energy system the department certifies shall be the net cost of acquiring the system and shall not include the following:

(1) expenses, including but not limited to:

(a) unpaid labor or the applicant's labor;

(b) unpaid equipment or materials;

(c) land costs or property taxes;

(d) costs of structural, surface protection and other functions in building elements

that would be included in building construction if a solar energy system were not installed;

(e) mortgage, lease or rental costs of the residence, business or agricultural

enterprise;

(f) legal and court costs;

(g) research fees or patent search fees;

(h) fees for use permits or variances;

(i) membership fees;

(j) financing costs or loan interest;

(k) marketing, promotional or advertising costs;

(l) repair, operating or maintenance costs;

(m) extended warranty costs;

(n) system resale costs;

(o) system visual barrier costs;

(p) adjacent structure modification costs; and

(q) vegetation maintenance costs including tree trimming; or

(2) income, including:

(a) payments the solar energy system contractor or other parties provide that reduce the system cost, including rebates, discounts and refunds except for federal, state and local government and utility company solar incentives;

(b) services, benefits or material goods the solar energy system contractor or other parties provide by the same or separate contract, whether written or verbal; and

(c) other financial incentives provided for solar energy system installation, if applicable.

D. The department shall make the final determination of the net cost of a solar energy system the department certifies pursuant to 3.3.14 NMAC.
[3.3.14.15 NMAC - N, 8/25/2020]

3.3.14.16 CALCULATING THE STATE TAX CREDIT:

A. A state tax credit to an applicant for a solar energy system the department has certified shall not exceed:

- (1) ten percent of the net solar energy system cost as provided in 3.3.14.15 NMAC; and
- (2) \$6,000.

B. The taxation and revenue department shall make the final determination of the amount of a state tax credit.

[3.3.14.16 NMAC – N, 8/25/2020]

3.3.14.17 CLAIMING THE STATE TAX CREDIT:

A. An applicant shall apply for the state tax credit with the taxation and revenue department and provide the certification and any other information the tax and revenue department requires within 12 months following the calendar year in which the system was installed.

~~**B.** If the amount of state tax credit claimed exceeds the applicant's individual income tax liability, the applicant may carry the excess forward for up to five consecutive taxable years.~~

~~**C.**~~ **B.** An applicant claiming a state tax credit shall not claim a state tax credit pursuant to another law for costs related to the same solar energy system costs.

[3.3.14.17 NMAC – N, 8/25/2020]

3.3.14.18 CONSUMER INFORMATION:

A. If a contractor installs the solar energy system, the contractor shall inform the applicant about system design, installation, performance, operation and maintenance by providing the following:

- (1) prior to system installation, a summary of the specific system type that meets all 3.3.14 NMAC's requirements, the system's capacity or size and the system's estimated annual energy production;
- (2) upon completion of system installation, written operation and maintenance instructions, including how to conduct simple diagnostic observations and tests to determine if the solar energy system is working properly to produce energy;
- (3) upon completion of system installation, a written summary of operation and maintenance instructions on one page, posted at an accessible location acceptable to the applicant and that is near or at the solar energy system's array or balance of system components; and
- (4) upon completion of system installation, written warranties in effect for equipment and contractor's labor, including their start and end dates and telephone, address and website contact information, as applicable, for honoring or extending warranties.

B. If the solar energy system is a solar thermal system, the following information shall be displayed:

- (1) pump or fan status by a visual indicator, as applicable;
- (2) outlet temperature of the collector loop;
- (3) if a liquid collector, the collector loop's pressure; and
- (4) the solar storage tank's temperature, if applicable.

C. If the solar energy system is a photovoltaic system, the following information shall be displayed:

- (1) for all photovoltaic systems, a visual indicator for operating status;
- (2) for an electric utility interconnected system without batteries,
 - (a) daily and cumulative energy production in kilowatt-hours alternating current of the inverter display or as shown on online data monitoring; and
 - (b) instantaneous power output in kilowatts alternating current of the inverter display or as shown on online data monitoring;
- (3) for an electric utility interconnected system with batteries, a method to enable real-time evaluation of system power or energy production; and
- (4) for a stand-alone system with battery storage,
 - (a) voltage and amperes of module array; and
 - (b) battery storage level.

[3.3.14.18 NMAC - N, 8/25/2020]

3.3.14.19 INSPECTION OF SOLAR ENERGY SYSTEMS:

A. The ~~inspections~~only inspection required through the application process for certification of an applicant's solar energy system are:

~~(1)~~ an inspection by the applicable building code authority for building, electrical or mechanical code compliance, as applicable to the solar energy system type; and

~~(2)~~ inspection for compliance with, if applicable. But an applicant should be aware that their electric utility company requirements may have additional inspection requirements for photovoltaic systems that are interconnected to the distribution grid of that electric utility company, if applicable. The applicant is solely responsible for compliance with such requirements.

B. ~~For purposes of inspecting the solar energy system's installation, the~~The department ~~or its authorized representative shall have~~retains the right to inspect a solar energy system ~~an applicant owns and the department~~it has certified, within three years after the department's certification, upon the department providing a minimum of five days' notice to ~~the~~an applicant with a certified system.

[3.3.14.19 NMAC - N, 8/25/2020]

HISTORY OF 3.3.14 NMAC:

Pre-NMAC History: None.

History of Repealed Material: [RESERVED]