CITY OF SANTA FE, NEW MEXICO

ORDINANCE NO. 2026-02

INTRODUCED BY:

Jamie Cassutt

AN ORDINANCE

APPROVING A COMMUNITY ENERGY EFFICIENCY DEVELOPMENT ("CEED") BLOCK GRANT FROM THE NEW MEXICO ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT, ENERGY CONSERVATION AND MANAGEMENT DIVISION, PURSUANT TO THE "CEED BLOCK GRANT ACT", TO AUTHORIZE A CEED PROGRAM PROJECT AND APPROVE THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

WHEREAS, the City of Santa Fe ("City") is a legally created public body, established, organized and existing incorporated charter municipality with home-rule powers under the constitution and laws of the State of New Mexico; and

WHEREAS, the CEED Block Grant ("Act") was enacted to establish the CEED Program and allow local governments to provide financing to support affordable housing energy efficiency programs and projects; and

WHEREAS, pursuant to NMSA 1978, Section 62-17A, the purpose of CEED Program projects is to provide improvements to residential buildings in underserved communities that will, in the aggregate, reduce energy consumption, energy-related operating costs, carbon intensity of energy consumption, or a combination thereof; and

WHEREAS, the CEED Program project will promote the general welfare and significantly benefit the quality of life of underserved communities in the City; and

WHEREAS, the Energy Conservation and Management Division is the administering agency for the CEED Program and is authorized to issue competitive grant awards to eligible entities; and

WHEREAS, NMSA 1978, Section 62-17A-5, requires counties and municipalities to enact an ordinance formally accepting the grant and incorporating the terms and conditions of the grant.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO:

Section 1. **Approval.** The City of Santa Fe ("City") formally approves the Community Energy Efficiency Development ("CEED") grant and accepts the CEED Program award from the New Mexico Energy, Minerals and Natural Resources Department ("EMNRD"). This ordinance may be cited as the "Community Energy Efficiency Development Block Grant Ordinance."

Section 2. **Purpose.** This Ordinance is adopted to implement the City's CEED Program project as is described in the Scope of Work portion of Exhibit A.

Section 3. **Grant Terms and Conditions.** The City formally adopts the full terms and conditions of the CEED Program grant as set forth in the Governmental Services Agreement ("GSA") EMNRD issued and included as Exhibit A. The GSA is incorporated herein by reference, cited here as Exhibit A, and shall have the full force and effect of law within the

jurisdiction of the City.

The City agrees to implement the CEED Program in compliance with the GSA and all applicable federal, state, and local laws, including reporting, procurement, wage compliance, and allowable use of funds.

Section 4. **Effective Date.** This Ordinance shall take effect five days after it is published, as consistent with SFCC 1987, Section 2-2.4. The City shall provide a certified copy to EMNRD as evidence of formal compliance with CEED Program requirements.

PASSED, APPROVED, and ADOPTED this 11th day of February, 2026.

MICHAEL GARCIA, MAYOR

ATTEST:

GERALYN CARDENAS, INTERIM CITY CLERK

APPROVED AS TO FORM:

Marcos Martinez
Marcos Martinez (Feb 12, 2026 14:31:05 MST)

MARCOS MARTÍNEZ, INTERIM CITY ATTORNEY

Bill No. 2026-02

Legislation/2025/Ordinances/2026-02(O)/Approving Execution of Ceed Grant Project

STATE OF NEW MEXICO
GOVERNMENTAL SERVICES AGREEMENT
BETWEEN THE
STATE OF NEW MEXICO,
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
AND
CITY OF SANTA FE

THIS GOVERNMENTAL SERVICES AGREEMENT (Agreement) is made and entered into by and between the State of New Mexico, Energy, Minerals and Natural Resources Department (EMNRD), Energy Conservation and Management Division (ECAM), and City of Santa Fe (City).

THE PARTIES MUTUALLY AGREE:

1. **Scope of Work**: The City shall:

A. Plan, manage and implement a Community Energy Efficiency Development (CEED) Program Project (Project) in accordance with the New Mexico Community Energy Efficiency Development Block Grant Act and the application materials approved by ECAM attached hereto and incorporated by reference as Attachment 1.

B. Provide targeted energy efficiency and conservation improvements to residential housing units for underserved communities in New Mexico. The geographic location of the households served will be within the City of Santa Fe. The City shall effectuate the goals of the CEED Program for residential buildings in underserved communities, including reducing energy consumption; reducing energy-related operating costs; reducing the carbon intensity of energy consumption; or a combination thereof.

C. Implement Energy Conservation Measure (ECM) improvements outlined in Attachment 2 hereto. The ECM improvements shall not cause an energy bill or cost increase in relation to the total cost a household spends on utilities.

1) City shall obtain the approval of ECAM for the installation of ECM improvements or appliances not specified in Attachment 2.

2) City is required to document all measureable energy installations and any potential Health and Safety (H&S) findings. ECAM recognizes it may not be possible to catalog all potential H&S issues. Should H&S concerns not enumerated in Attachment 2 be identified, it is the City's responsibility to

notify ECAM of the problem and obtain directions from ECAM on how to proceed before any work commences. Failure to adhere to this requirement may result in disallowed costs for the City and potential liability for any subcontractor.

3) The maximum average allowable ECM improvement cost per residential housing unit is $16,000.00, but City may seek ECAM approval for variances to the maximum average allowable per-unit cost.

D. City shall adhere to the following program administration requirements:

1) Section 19.1.10.12 (D), NMAC to determine participant household eligibility. Certification verification process will require ECAM review prior to program commencement.

2) Procure, as applicable, services from community partner(s) and service providers(s) with experience in the geographic area(s) in which the project will take place.

3) Collect and report data on, but not limited to, project performance, energy savings, and non-energy benefits resulting from project energy efficiency, conservation, and retrofit measures.

4) Prepare, review, certify, and submit the reports as outlined below, in the form and content specified by ECAM:

Report Title	**Reporting Period**	**Due Date**
Program Financial Reports	Quarterly	● Jan. 1–Mar. 3 = due Apr. 20 ● Apr. 1–June 30 = due July 20 ● July 1–Sep. 30 = due Oct. 20 ● Oct. 1–Dec. 31 = due Jan. 20
Program Performance Reports	Quarterly	● Jan. 1–Mar. 3 = due Apr. 20 ● Apr. 1–June 30 = due July 20 ● July 1–Sep. 30 = due Oct. 20 ● Oct. 1–Dec. 31 = due Jan. 20
Project Update Reports	Monthly, with each request for payment/ reimbursement	On the 20th of the month for the previous period
If the due date falls on a weekend/holiday, the report will be due the following business day.		

5) The City shall review all invoices for reimbursement from subcontractors and verify that claimed expenditures are allowable costs. The City shall

maintain documentation adequate to support all claimed costs reported for reimbursement or City share.

6) To the greatest extent practicable, City should take advantage of available New Mexico state and federal rebates and tax incentives, including the DOE Home Energy Rebates programs: Home Electrification and Appliance Rebates (HEAR), Home Efficiency Rebates (HER).

7) City may apply for variances pursuant to Section 19.1.10.20 NMAC. Should the City elect to undertake activities or change locations prior to written authorization from ECAM, the City does so at risk of not receiving funding.

8) Outreach/marketing activities must be directly related to the CEED Program and educational activities must be targeted and specific to the residential unit or building.

9) Training and Certifications costs must apply directly to CEED Program activities. Staff time spent on CEED Program projects should be accounted for accurately, with costs claimed being the costs incurred.

10) City shall also comply with requirements specified in Attachment 3, Special Terms and Conditions.

11) Prepare, review, certify, and submit reimbursement requests as outlined below, in the form and content specified by ECAM.

2. **Compensation**:

A. EMNRD shall pay City for services satisfactorily performed pursuant to the Scope of Work and as specified below. This amount shall not exceed one million two hundred fifty four thousand one hundred seventy dollars and zero cents ($1,254,170.00), including New Mexico governmental gross receipts taxes, and any travel, if necessary, pursuant to Paragraphs B and C of this Compensation Section. EMNRD shall make payment upon the satisfactory and timely completion of the work described in the Scope of Work and for no more than the maximum amount set forth below for each deliverable:

Deliverable	**Maximum Amount Not to Exceed**	**Invoice Due Date**
Submit reimbursement requests for Administrative Costs related to the planning, management and implementation of the CEED Program Project.	$188,125.50	20th day of each month for costs incurred during the previous month

Submit reimbursement requests for costs related to retrofit work and ECM improvements to residential housing units within the City of Santa Fe.	$1,066,044.50	20th day of each month for costs incurred during the previous month

This amount is a maximum and not a guarantee that the work assigned to be performed by City under this Agreement shall equal the amount stated herein or the amounts stated per task. The parties do not intend for the City to continue to provide services without compensation when the total compensation amount is reached. City is responsible for notifying EMNRD when the services provided under this Agreement reach the total compensation amount. In no event shall the City be paid for services provided exceeding the total compensation amount without this Agreement being amended in writing prior to those services exceeding the total compensation amount being provided. EMNRD MUST receive all invoices no later than 10 days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date SHALL NOT BE PAID.

B. EMNRD shall pay such travel expenses as may be incurred in, and that are necessary for, this Agreement's performance at the rates established in the Per Diem and Mileage Act, NMSA 1978, Sections 10-8-1 *et seq.* as implemented by the current Department of Finance and Administration (DFA) rule and the current EMNRD travel policy.

C. City shall be responsible for paying New Mexico Governmental Gross Receipts taxes levied on amounts payable under this Agreement, if applicable.

D. City must submit detailed invoices accounting for all services performed, and expenses incurred. Invoices evidencing the propriety of each claim for payment must be supported by approved purchase order. When compensation is based on hourly rates, City shall also provide documentation of hours expended on the services provided. If EMNRD finds that the invoice services, or expenses are not acceptable, within 30 days of receipt of written notice from City that payment is requested for services received, EMNRD shall provide City a letter of exception explaining the defect or objection to the invoice, services, or expenses, and outlining steps City may take to provide remedial action. Upon certification by EMNRD that the invoice, services, or expenses have been received and accepted, EMNRD shall tender payment to City within 30 days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, EMNRD shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. **Term**: This Agreement becomes effective when executed by an authorized representative of City and of EMNRD and when DFA encumbers funds for this Agreement. It shall terminate on Dec 31, 2027 unless earlier terminated pursuant to

Section 4, Termination, or Section 5, Appropriations, below.

4. **Termination**: Either party may terminate this Agreement upon written notice delivered to the other at least 10 days prior to the intended termination date. By such termination, neither party may nullify or avoid any obligation required to have been performed prior to termination.

5. **Appropriations**: This Agreement's terms are contingent upon the New Mexico State Legislature granting sufficient appropriation and authorization. If sufficient appropriation or authorization is not granted, EMNRD may terminate this Agreement, or in the alternative suspend performance pending approval of sufficient appropriation or authorization, upon written notice from EMNRD to City. EMNRD's decision as to whether sufficient appropriations are available shall be at its sole and absolute discretion and shall be final, binding, and accepted by City.

6. **Status of City**: City and its agents and employees are independent contractors performing professional services for EMNRD and are not employees of the State of New Mexico. City and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. City agrees not to purport to bind the State of New Mexico unless the City has express written authority to do so, and then only within the strict limits of that written authority.

7. **Assignment**: City shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without EMNRD's prior written approval.

8. **Subcontracting**: City shall not subcontract any portion of the services to be performed under this Agreement or obligate itself in any manner to any third party, with respect to any rights or responsibilities under this Agreement, without EMNRD's prior written approval. EMNRD may disallow costs incurred by the City in relation to a subcontract if City does not obtain prior written approval.
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A. Any contract shall include all provisions necessary to allow City to meet its obligations and requirements under this Agreement and all provisions required by law.

B. Travel expense reimbursement requested for subcontractors, if applicable, shall be reimbursed in accordance with rates established in the Per Diem and Mileage Act, NMSA 1978, Section 10-8-1 *et seq*., as implemented by the current DFA Rule and EMNRD Travel Policy.

9. **Release**: Final payment of the amounts due under this Agreement shall operate as a release of EMNRD, its officers, and employees, and the State of New Mexico from all liabilities, claims, and obligations whatsoever arising from or under this Agreement.

10. **Confidentiality**: Any confidential information provided to or developed by City in

the performance of this Agreement shall be kept confidential and shall not be made available by City to any individual or organization without EMNRD's prior written approval.

11. **Product of Services; Copyright**: All materials developed or acquired by City under this Agreement shall become the State of New Mexico's property and be delivered to EMNRD no later than this Agreement's expiration date. Nothing City produces, in whole or in part, under this Agreement shall be the subject of a copyright application or other claim of ownership by or on behalf of City.

12. **Conflict of Interest; Governmental Conduct Act**: City warrants that it presently has no interest and that it shall not acquire any interest, direct or indirect, which would conflict in any manner with performance or other services required under this Agreement. City certifies that all applicable provisions of the requirements of the Governmental Conduct Act, NMSA 1978, Sections 10-16-1 through –18, including provisions related to contracting with, or employing, public officers, legislators, state employees, or former state employees, have been followed.

13. **Amendment**: This Agreement shall not be altered, changed, or amended except by written instrument executed and approved by the parties hereto.

14. **Merger**: This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this written Agreement. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless as embodied in this Agreement.

15. **Penalties for Violation of Law**: The Procurement Code, NMSA 1978, Sections 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

16. **Equal Opportunity Compliance**: City agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the City assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation, or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If City is found not to be in compliance with these requirements during the life of this Agreement, City agrees to take appropriate steps to correct these deficiencies.

17. **Applicable Law**: The laws of the State of New Mexico shall govern this Agreement, without giving effect to New Mexico's choice of law provisions. Venue shall

be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, Section 38-3-1(G). By execution of this Agreement, City acknowledges and agrees to the exclusive jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. **Records and Audit**:

A. City shall maintain detailed time and expenditure records that indicate the date, time, nature, and cost of services rendered during the Agreement's term and effect and retain them until six years after the termination date specified in Section 3, Term. These records shall be maintained and available within the State of New Mexico. During this time, such records shall be subject to inspection by EMNRD, DFA, and the State Auditor. City further agrees to include in all subcontracts hereunder the same right of inspection and audit against all subcontractors. EMNRD shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose EMNRD's right to recover excessive or illegal payments. The periods of inspection and audit may be extended for records, which relate to litigation or settlement of claims arising out of performance of this Agreement or any authorized representative and shall continue until all potential litigation, appeals, claims, or exceptions have expired or been resolved.

19. **Liability**: Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred with this Agreement is subject to the immunities and limitations of the Tort Claims Act, NMSA 1978, Sections41-4-1 *et seq.*, as amended.

20. **Procurement, Utilization, and Disposition of Property**: City shall report acquisition of any capital property (property with an expected life of at least one year) to EMNRD within one month following the acquisition. If upon termination of this Agreement City has any property in its possession belonging to EMNRD, City shall account for the property and dispose of it as EMNRD directs.

21. **Invalid Term or Condition**: If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

22. **Enforcement of Agreement**: A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict performance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no waiver of a specified right by a party shall be effective to waive any other rights.

23. **Notice**: Except as otherwise specified herein, all notices hereunder shall be in writing) and shall be given to the relevant party at its address set forth below, or such other address as such party may hereafter specify by notice to the other given by

courier, by United States certified or registered mail, or by telecommunication device capable of creating a written record of such notice and its receipt.

To EMNRD:
Buildings and Community Program Manager
EMNRD – ECMD
1220 S. St Francis Drive
Santa Fe, NM 87505

General Counsel
EMNRD – Office of the Secretary
1220 S. St Francis Drive
Santa Fe, NM 87505

To City of Santa Fe:
City Manager
200 Lincoln Ave
Santa Fe, NM 87501

To Risk Management Division:
Risk Management Division
General Services Department
P.O. Drawer 26100
Santa Fe, NM 87502

24. **Authority**: If City is other than a natural person, the individual(s) signing this Agreement on behalf of City represent and warrant that the individual has the power and authority to bind City, and that no further action, resolution, or approval from City or any other City is necessary to enter a binding contract.

25. **Acknowledgment**: City shall acknowledge EMNRD as a co-sponsor and funding source in all news releases, programs, proceedings, and related publicity/publications for the project.

26. **Minimum Wage Rate**: If applicable, City shall comply with minimum wage rates as established by the New Mexico Department of Workforce Solutions, Labor Relations Division, and with all other applicable requirements of that Department, including posting of the wage rates in a prominent location on the site for hiring and performing of this Agreement.

27. **Compliance with Law and Funding Source Conditions**:

A. City shall comply with all applicable state and federal statutes, regulations, or rules, including without limitation those imposed as a consequence of funding pursuant to this Agreement.

B. In the event this Agreement is funded with federal monies, Contractor shall comply with 2 C.F.R. 200.318 through 200.327 for procurement conducted pursuant to this Agreement.

28. **Insurance Coverage**: City shall provide EMNRD a statement indicating that the activities described in the Scope of Work are covered by insurance as set forth below, secured in accordance with any method allowed by applicable law, including self-insurance, pooling of self-insured reserves, or insurance provided by a third party, prior to commencing work under this Agreement. City shall maintain continuous coverage of the activities described in the Scope of Work, so long as this Agreement is in effect. Failure to maintain such coverage is reason for immediate termination of this Agreement. City shall notify EMNRD prior to cancellation or expiration of any insurance required under this Agreement.

A. Worker's Compensation protection that complies with the requirements of the Worker's Compensation Act, NMSA 1978, Sections 52-1-1 *et seq*., if applicable. If the City fails to comply with the Workers Compensation Act and applicable rules when required to do so, EMNRD may terminate this Agreement.

B. Comprehensive public liability protection covering property damage and personal injury liability that may arise under this Agreement and any amendments hereto, in amounts equal or greater than liability limits set forth in NMSA 1978, Sections 41-4-19, as it may be amended from time to time.

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IN WITNESS WHEREOF, the parties hereto have herein below executed this Agreement.

STATE OF NEW MEXICO, ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

By:_____ Date: _____
Cabinet Secretary or Designee

CITY OF SANTA FE

By:_____ Date: 03/04/2026
Michael J. Garcia, Mayor, City of Santa Fe

ATTEST:

_____
GERALYN F. CARDENAS,
INTERIM CITY CLERK

GB MTG 02/11/2026 per Ordinance 2026-02

CITY ATTORNEY'S OFFICE:

Marcos Martínez
Marcos Martínez (Dec 1, 2025 14:09:20 MST)
_____
MARCOS MARTÍNEZ, SENIOR ASSISTANT CITY ATTORNEY

APPROVED FOR FINANCES:

ANDREA PHILLIPS (Mar 4, 2026 08:57:35 MST)
_____
FINANCE DIRECTOR

ATTACHMENT 1: Application Materials

CEED Program	Application – City of Santa Fe
Applicant City Legal Name:	City of Santa Fe
Type of Applicant City:	Municipal government
Project type City is applying for:	Type 1 Project
Title of Applicant's project:	City of Santa Fe Low-Income Household Energy Efficiency & Electrification
One sentence description of the project:	City of Santa Fe Environmental Services will work with community-based organizations to delivery energy efficiency improvements and renewable energy to low-income, energy-burdened households
One sentence description on the impact and beneficiaries of the project:	Low-income households requesting assistance with utility bills, rent, and home repair will benefit by becoming more financially stable as a result of home improvements.
Total funding request amount:	$1,254,170.00
Project Location	The proposed project takes place in New Mexico
State the selected geographic block location *	City of Santa Fe. Focus: Census tracts 12.02, 12.03 & 12.05
Describe the rationale used for the geographic selection.	The Climate and Economic Justice Screening Tool identifies disadvantaged communities which have been historically burdened by systemic disinvestment, climate change, pollution, and environmental hazards through the use of over 30 environmental, health, and infrastructure criteria. Over 88% of residents in these census tracts are low income (below the 200% Federal Poverty Line), housing burdened (pay more than 30 percent of their income for housing), in proximity to hazardous waste sites, have low life expectancies, lack high school education, and are linguistically isolated. All of these factors coalesce into lived environmental inequality that can begin to be corrected with CEED funds. According to the Department of Energy, the average energy burden for non-low-income households is 3%. However, because the percent of household income spent on energy increases as income decreases, the result is an energy burden ranging 6-13% of income for households at 0-60% of Area Median Income (AMI). Targeting energy and housing cost burdened households is the highest goal, but also targeting census tracts with high linguistic isolation and low educational attainment will help reach populations that are not as likely to take advantage of energy services and energy efficiency rebates offered by local utility companies.
Project Purpose:	The proposed project targets the adoption of energy efficient consumer behavior, equipment, or devices resulting in reduced energy consumption without the amount or quality of energy services.
Project Purpose: Check all that apply to the proposed project:	energy-efficient consumer behavior energy-efficient equipment energy-efficient devices equipment or electrification upgrades health and safety measures
Which of the following CEED Program Project Goals does the proposed project serve? Check all that apply:	reduce energy consumption reduce energy-related operating costs reduce the carbon intensity of energy consumption

Scope of Work:	The Department of Energy Low-Income Energy Affordability Data (LEAD) Tool shows that households below the federal poverty line in New Mexico spend an average of $1,645 annually on energy-related costs, or 16% of household income (compared to a state average of $1,768, or 3% of household income). Reducing household energy use through weatherization alone can result in a 27% reduction in a resident's overall energy use in New Mexico. Further, renewable energy and electrification can reduce the carbon intensity of the energy consumed. This will provide utility bill savings, provide better heating and cooling, and allow low-income households to participate in the clean energy transition.
Describe any additional benefits not described above that should be factored into the evaluation of this application.	The DOE Low-Income Energy Affordability Data (LEAD) Tool shows that households below the federal poverty line in New Mexico spend an average of $1,645 annually on energy-related costs, or 16% of household income (compared to a state average of $1,768, or 3% of household income). Reducing household energy use through weatherization alone can result in a 27% reduction in a resident's overall energy use in New Mexico. Further, renewable energy and electrification can reduce the carbon intensity of the energy consumed. This will provide utility bill savings, provide better heating and cooling, and allow low-income households to participate in the clean energy transition. If a low-income resident chooses to subscribe to community solar, they can expect savings of 27-30% on their electric bill by law. If a resident chooses rooftop solar, the City of Santa Fe Environmental Services will procure a solar contractor and offer an approximately $5,000 stipend (City funds only) to ensure that the monthly cost of the solar loan payment will be equal to the household's typical monthly electric bill. Energy Sage estimates the average home in New Mexico will pay off a rooftop solar loan in 10 years. Solar is essential to offset any electric bill increases as a result of electrification. The rooftop solar portion of the improvements will be offered completely separate from the grant because the solar installation would not be able to be completed within the grant timelines based on Environmental Services experience with local contractors and permitting. All improvements will be made with residents' approval. Additional education will be provided to explain that for homes currently using natural gas for the furnace and/or hot water heater, switching to electric could cause an increase in electric bills, but the cost will be offset by other measures and will result in more efficient and cleaner energy. While energy savings is a main goal, providing choice and cleaner energy options is also a benefit of this program for low-income households.
Describe the project benefits to the selected underserved community, what specific outcomes will result from the completion of this project, and the approach for maximizing project benefits in the community.	Reduced energy use will result in more grid reliability and a reduced need for grid upgrades, which is key as low-income households are most likely to experience negative effects as a result of blackouts or power loss. Second, financial savings can free up families to inject money into the local economy, invest in education, and improve their quality of life. Third, reduced water usage will mitigate the City of Santa Fe's current and expected future drought conditions. Lastly, as PNM - the electric utility in Santa Fe - transfers to renewable energy as required by state law, energy efficiency improvements and electrification are paramount to achieving the City of Santa Fe's goal of carbon neutrality by 2040 and providing a cleaner environment for Santa Fe neighborhoods. A lack of new housing stock has led to an increasingly competitive and unaffordable housing market in Santa Fe as the population continues to grow. Market rate rents in Santa Fe increased by 46% since 2014. Over half of all renter households report feeling "cost-burdened," which means that they are paying more than 30% of their income on housing costs. For renters, cost burden implies economic insecurity, thus decreasing their ability to save enough for a down payment and transition to homeownership. For owners, cost burden increases risk of foreclosure, which has long-term effects on a household's financial security. As housing costs in Santa Fe continue to rise, addressing housing burden through

	energy burden is one strategy that can help maintain homeownership and increase wealth building for at-risk households. During the program, jobs will be created locally as a result of the grant funds and there will be temporary local economic impact as a result of the construction spending.
Describe the project's alignment with the CEED Program's purpose and goals.	This scope of work will result in reduced energy use, reduced water usage, reduced utility costs, and reduced carbon intensity of energy consumption. This program will promote energy-efficient consumer behavior and equipment that will result in a decrease in energy consumption without reducing the amount or quality of energy services. Depending on the improvements chosen, households may see improved indoor air quality as the building envelope and HVAC equipment are improved and repaired. Education and resources will be provided to allow residents to take advantage of community solar subscriptions. Tailored energy assessments, recommendations, and education will provide access to the clean energy transition for low-income households, who are often unable to participate due to financial constraints and lack of access to information or programs.
How will the project meet these objectives, and how will this impact be measured?	• Reduced electric/water usage and utility bills - review of utility bills before and after under typical household usage • Reduced emissions - calculate metric tons of emissions before and after using Clearpath tool • Improved housing affordability - review of housing cost to energy cost ratio before and after • Reduced carbon intensity of energy use (electrification, solar, etc.) - conduct energy audit before and after & number of appliances switched to electric and/or EnergyStar models, number of homes transitioned to solar • More comfortable and healthier living environments - conduct household survey before and after • Reduced stress/housing insecurity - conduct household survey before and after • Increased education and understanding of available energy services/programs - conduct household survey before and after • Increased engagement with Spanish-speaking, low-income residents - conduct household survey before and after
Describe Applicant's plan to engage community partners, service providers, and participant households in the project.	The City of Santa Fe will partner with Homewise to identify eligible low-income households. Using the Homewise inventory of requests for home repair, utility assistance, and other related requests, the City will narrow down recipients of CEED funding based on these priorities: -Highest priority: households Under 50% AMI with fixed incomes (social security, disability, etc.) and/or on propane -Medium priority: households Under 70% AMI -Lower priority: households 71%-80% AMI **The average AMI for the current City home repair/rehabilitation program is 36% AMI City of Santa Fe Conservation & Sustainability will work with Homewise team members to identify eligible, low-income households. The City of Santa Fe will also partner with Homewise for the outreach and construction. Homewise is already contracted with the City's Office of Affordable Housing to deliver home repair and energy efficiency upgrades through other funding sources, such as Community Development Block Grants and the Mortgage Finance Authority. Homewise regularly works in the Santa Fe community and is experienced in operating in English and Spanish. Homewise will conduct outreach about eligibility with households which may include calls, mail outs, and in-person meetings to gauge interest in the CEED program. Once contact has been established, desire to participate and income eligibility will be confirmed, utility bills will be obtained and households will take household surveys. Homewise is already contracted with the City's Office of Affordable Housing to deliver home repair and energy efficiency upgrades through other funding

	sources, such as Community Development Block Grants. Homewise regularly works in the Santa Fe community and is experienced in operating in English and Spanish. Outreach will also include explaining CEED program purpose, energy audit process, resident options for improvements, potential cost savings, construction process, and all other aspects of the CEED program. Lastly, City of Santa Fe Conservation & Sustainability Division will work with grant partners to provide outreach about additional electricity savings and decarbonization of households that can be achieved through purchasing rooftop solar and/or subscribing to community solar. The Coalition for Sustainable Communities New Mexico is a partner in providing education and resources related to the Community Solar Act. All resources and consultation will be provided in English and in Spanish.
Describe Applicant's strategy to prevent fraud, waste, and abuse.	All City departments receiving grants funds adhere to City Policy and Procedure. No grant funds are disbursed until the agenda item and budget are approved by City Council. All modifications to the budget must adhere to City policy. All procurement activity associated with grant funds must follow procedures outlined by the City. Further, all contracts and purchases made with grant funds follow a multi-step, multi-approval process ensuring that the request for purchased goods will be reviewed by the Purchasing Department. The City of Santa Fe is well-prepared to handle the project's financial and regulatory aspects. Being a CDBG (Community Development Block Grant) entitlement city, it has a dedicated grants management division within its Finance Department. This division has experience in managing grants and adhering to federal and state regulations and reporting requirements. Additionally, the city's program staff in the Office of Affordable Housing and Conservation & Sustainability Division have extensive grant experience, ensuring compliance with funding and reporting requirements. For instance, the Office of Affordable Housing conducts annual performance monitoring of program recipients for CBDG and Affordable Housing Trust Fund (AHTF) respectively. Throughout the year, all program subrecipients submit quarterly reports to track program expenditures and progress along with an annual report. As part of the annual performance monitoring, subrecipients provide their codes of conduct for financial systems and record keeping.
Participant eligibility requirements	Participant eligibility will follow 19.1.10.12 (D) NMAC.
Describe the proposed process for certifying the eligibility determination of participant households.	Certification process to be submitted to Division for approval prior to project commencement.
What specific outcomes will result from the completion of this project?	Santa Fe households will receive repair and improvements that result in reduced energy/water usage, improved health and safety, improved comfort, reduced electric/water bills, reduced stress related to affordability, increased housing security, and participation in the clean energy transition via electrification and/or roof top or community solar.
Describe the reporting metrics/measures. —	Metrics used will include (but not be limited to): I. Retrofits ● Number of Units Retrofitted: Track the total number of residential units that receive energy efficiency retrofits. ● Square Footage of Buildings Retrofitted: Measure the total square footage of buildings that undergo retrofits. ● Estimated Project Savings: Calculate the estimated annual savings in terms of: ○ Dollars ○ Kilowatt-hours (kWh) of electricity ○ Therms of natural gas

	○ Gallons of fuel oil ○ Therms of propane ○ Gallons of water ○ Gallons of kerosene ○ Tons of wood ● Energy Management Systems Installed: Track the number of energy management systems installed in residential units. ● Water Conservation Retrofits: Measure the number of water conservation retrofits completed. ● Fuel Switching: Track the number of buildings where the primary fuel type is switched to a more efficient or cleaner fuel source. ● Realized Reduction in Consumption: Measure the actual reduction in consumption for various energy sources (electricity, fuel oil, natural gas, propane, kerosene, wood). II. Energy Audits ● Energy Audits Performed: Track the number of energy audits conducted for residential units. ● Square Footage of Buildings Audited: Measure the total square footage of buildings that undergo energy audits. III. Training and Education/Technical Assistance ● Education, Outreach, and Training: Track the number of workshops, training sessions, and education sessions held and the number of participants. ● Staff Hired: Measure the number of full-time equivalent (FTE) energy management staff and subrecipient staff hired. ● Information Contacts: Track the number of information connections where energy efficiency or renewable energy measures were recommended. IV. Community and Stakeholder Engagement ● Community Engagement Events: Track the number of community engagement events held (both virtual and in-person). ● Community Members Engaged: Measure the total number of community members or stakeholders engaged in the grant program, including those from underserved communities. V. Participant Data ● Participant eligibility criteria ● Participant demographic data ● Energy consumption data: including the measurement and tracking of electricity, natural gas and propane consumption ● Utility bill costs: and associated energy-related operating costs] Reduced electric/water usage, increased weatherization, increased education and understanding of energy services - (project objective: reduced energy consumption & reduced operating costs) Reduced emissions, number of appliances switched to electric, rooftop or community solar participation – (project objective: reduced carbon intensity of energy consumption) Improved housing affordability, reduced stress/housing insecurity, more comfortable and healthier living environments - (project objective: improved health of household)
Describe the tracking and data collection methods.	At the beginning of the project, households will certify incomes, take a brief household survey for social/emotional factors, and provide several months of utility bills (water, gas, electric) to assess average utility usage. Based on utility usage, average emissions will be calculated per household using Clearpath tool.

Reduction of energy use that will come from implementation of the proposed measures:	30% reduction or 3,572 kWh from weatherization alone (Average NM electric use of 11,900 kWh/year) (Energy Sage & NM Mortgage Finance Authority) Average rooftop solar array of 3 kW produces 5,200 kWhW year
Reduction of energy cost that will come from implementation of the proposed measures:	$250/annually (without heat pump installation) (NM Mortgage Finance Authority) or additional $100-$1,000/annually (with heat pump, depending on energy source of original heating system)
Reduction in carbon intensity of energy consumption from implementation of the proposed measures:	-21.7 metric tons of carbon per house per year without solar (NM Mortgage Finance Authority) + 2 MT per 3 kW solar array installed
Other identified measured project impact(s):	Gallons of water saved - 5.6/day or 1,048/year per house (NM Mortgage Finance Authority)
Average impact by household:	-30% reduction in energy use, 5,200 kWh produced per solar array, $250 (or more) saved annually on electric bill, 21.7 or 23.7 MT of carbon reduced, 1,048 gallons/year saved
Total aggregated impact of the project:	(Based on average: 35 households) 125,020 kWh saved annually; 182,000 kWh produced by solar, $8,750 dollars saved annually; 759.5-829.5 MT of carbon reduced; 36,330 gallons of water saved
Total number of participant households of the project:	70 households, depending on level of investment needed/desired per household. (= 35 with a lower than average persons per household at 2.0 to account for households with older residents without kids)
Number of project partner beneficiaries:	70 households (= 35 with a lower than average persons per household at 2.0 to account for households with older residents without kids)
Timeline for implementation, including project milestones.	Q4 year 0: Conservation & Sustainability works with Homewise to identify complete list of eligible CEED funds recipients Dec. year 0: Grant Application Due Q2 year 1: Grant awardees announced by EMNRD & approved by Santa Fe Governing Body Q2 year 1: Grant team identifies short-list of high-priority residents to receive CEED grant funds Q3 year 1: City enters into contract with Homewise for grant implementation services Q4 year 1: Homewise begins outreach to confirm participants (Recipients & income will be fully verified and household survey distributed) Q1 year 2: Homewise will begin scheduling home energy audits and recommending improvements to the building based on highest cost savings and decarbonization potential. Q2 year 2- Q1 year 3: Construction scheduled and improvements implemented (approx. 30 days per house) Q2 year 3: Post-construction household assessment to measure program results & final reporting (1 month)
Describe Applicant's work plan detailing how tasks will be executed within the allotted timeframe and by which members of the project team.	1. City of Santa Fe Conservation & Sustainability will work with Homewise team members to identify eligible, low-income households. 2. Grant project team City of Santa Fe and Homewise) will select and prioritize recipients of CEED funds.

	3. Homewise will conduct outreach to households which may include calls, mail outs, and in-person meetings to gauge interest in the CEED program. Once contact has been established, Homewise will confirm desire to participate, confirm insurance and ownership, confirm income eligibility, obtain current utility bills and conduct household surveys. Outreach will also include explaining CEED program purpose, energy audit process, resident options for improvements, potential cost savings, construction process, and all other aspects of the CEED program. 4. Homewise will perform energy audits of homes, analyze improvement options, obtain written approval from residents, and manage the construction process, while maintaining clear and consistent communication with residents. One priority will be to schedule construction with as little disruption to the lives of residents as possible. a) Once the energy audit is complete, with Homewise's recommendation, residents can choose to pursue either rooftop solar or a community solar subscription. Conservation & Sustainability will provide education and outreach on why and how to subscribe to community solar. Homewise's solar contractor will provide residents with assessment, estimate on the cost of a rooftop solar system, loan options, and estimated future energy bill. b) City funds will provide residents seeking rooftop solar a $5,000 stipend to assist with increasing the affordability of the solar system loan. (Through Santa Fe Environmental Services' experience with rooftop Solarize programs, a $5k stipend is sufficient to ensure that the resident's loan payment will be equal to their historic electric bill cost). 5. After construction and installation, Homewise will obtain utility bills after all improvements have been completed to confirm utility bill cost savings and energy savings and conduct the post-construction household survey one more time to measure quantitative metrics. Conservation & Sustainability will work with Homewise throughout to provide all grant reporting and budget updates to EMNRD, as needed.
Is environmental/ground disturbance anticipated for the project?	No
How long will the project take to complete?	From grant award to post-construction review, 3 years
Describe any proposed Community Partner(s) with experience in the area(s) in which the project will take place.	Homewise is the ideal partner for the City of Santa Fe to execute the CEED grant because it brings decades of trusted community presence, extensive experience delivering energy-efficiency and home repair services, and strong administrative capacity for state-funded programs. Its EnergyWise program built on decades of home improvement lending, a decade of solar lending, and the successful administration of $3.3 million in ARPA-funded Home Preservation programs for households under 80% AMI demonstrates Homewise's proven ability to deliver energy-efficient improvements at scale to low-income residents. With established systems for outreach, eligibility verification, contractor oversight, and project documentation, Homewise can efficiently deploy CEED-funded energy upgrades to the households the program is designed to serve. Their mission aligns directly with CEED's goals, and their ability to leverage additional resources amplifies the impact of this state-funded initiative without requiring City funding or new City infrastructure. Coalition for Sustainable Communities New Mexico (CSCNM) is a nonprofit, membership organization that "[combines] policy interests from a number of [New Mexican] communities into a cohesive voice advocating for state

	policy". CSCNM was vital to the adoption of the New Mexico Community Solar Act and assists in outreach and education related to community solar in New Mexico. CSCNM has hosted webinars and provided written materials to inform New Mexico about community solar.
Describe any proposed Service Providers(s) with experience in the area(s) in which the project will take place.	N/A

ATTACHMENT 2: Energy Conservation Measure Improvements

Energy Conservation Measure (ECM) improvements will target the adoption of energy-efficient consumer behavior, equipment, or devices that result in a decrease in energy consumption without reducing the amount or quality of energy services. This includes health and safety (H&S) measures, including those that use efficient equipment or devices to improve indoor air or drinking water quality, and equipment or electrification upgrades. The ECM improvements shall not cause an energy bill or cost increase in relation to the total cost a household spends on utilities. The following provisions are included to ensure the successful execution of projects. Improvements list is subject to change.

A. City shall implement ECMs in an order that prioritizes greatest savings (*e.g.* sealing the building envelope prior to heat pump installation). City shall follow the U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) guidelines regarding prioritizing measures (air sealing, duct sealing outside the thermal boundary, and thermal boundary insulation [attic, wall, floor or belly, foundation, sill, etc.]) and installing in order of savings to investment Ratio (SIR) the ECMs and related H&S and incidental repairs measures (SIR calculation = (Annual $ savings x Expected Usage Lifetime (EUL)) ÷ (Initial $ cost). EUL durations can be found at: https://www.energy.gov/sites/default/files/2023-03/WPN%2023-06%20Revised%20Energy%20Audit%20Procedures%20Attachments.pdf (*see also*: Table 1: Allowable Default ECM Lifetimes, *below*).

B. ECM improvements for residential housing units may include, but are not limited to: envelope upgrades; air sealing; duct sealing; insulation installation; EnergyStar windows; EnergyStar doors; LED lighting; water tank insulation and water heater pipe insulation;

1) cleaning, repair or replacement of heating and cooling systems;
    i. Heating systems
        a. Replacement or installation of secondary heating systems are not allowed.
        b. Use proper sizing protocols according to Manual J, State approved sizing protocols, NEAT/MHEA outputs, etc.
        c. High efficiency air source heat pumps. (Cold climate rated units as appropriate for climate zone).
    ii. Cooling systems
        a. Replacement or installation of secondary cooling systems are not allowed.
    iii. Ensure no bill increase
        a. Replace existing electric units or fuel switch from propane

2) prioritized appliance repair or replacement:

i. Clean or repair baseload appliances/fixtures, as well as (in no particular order);
ii. High efficiency heat pump water heaters,
    a. Household should have a minimum of 3 persons.
    b. New units should have an EF of 3.0 or higher.
    c. Replace only electric resistance water heaters.
    d. Cost is limited to $1,750.
    e. Thermostat set to 120 degrees maximum.
    f. Include water heater blanket, pipe insulation (as appropriate).
iii. EnergyStar refrigerator, cost is limited to $900.
    a. Must have automatic defrost, top freezer preferred. May be no more than 2 cubic feet larger than existing refrigerator.
iv. EnergyStar dishwasher, cost is limited to $525.
v. EnergyStar clothes washer, cost is limited to $675.
vi. EnergyStar clothes dryer, cost is limited to $700.
    a. Heat pump clothes dryer cost is limited to $840.
vii. EnergyStar oven/range, cost is limited to $1000
    a. New units may only have a single oven, induction ranges must not increase spending for participant
viii. Programmable/smart thermostats, cost is limited to $150.

3) incidental repairs; cost is limited to $1000 per unit. Allowable items include, but are not limited to:
    i. Sealing of cracks
    ii. Weather-stripping, caulking, hole patching.
    iii. Installation of door sweeps
    iv. Repair and replacement of thresholds
    v. Repair and replacement of fireplace dampers.
    vi. Repair or replacement of broken glass in window
    vii. Exterior door repair
    viii. Repair of building envelope to maintain the integrity of ECMs
    ix. Low-flow showerheads diverter replacement or fixture repair.;
    x. Electrical repair for lighting retrofits;

4) residential Health and Safety (H&S) measures, cost is limited to 20% average cost per unit. Allowable items include, but are not limited to:
    i. Safety devices: smoke and carbon monoxide alarms, fire extinguishers
    ii. Heating and cooling system safety checks;
    iii. Asbestos
        a. In siding, walls, ceilings, etc., in vermiculite, on pipes, furnaces, and other small-covered surfaces

b. General abatement of asbestos siding or replacement with new siding is not an allowable H&S cost

iv. Biologicals and unsanitary conditions
v. Building structure and roofing
vi. Code compliance
vii. Combustion gases
viii. Unsafe electrical
ix. Formaldehyde, volatile organic compounds (VOCs), flammable liquids, other air pollutants
x. Fuel leaks
xi. Hazardous materials disposal
xii. Injury prevention of occupants and project workers
xiii. Lead based paint
xiv. Mold and moisture
xv. Radon
xvi. Ventilation and indoor air quality
xvii. Window and door replacement, window guards
a. Storm windows
b. Window coverings
1. Purchase of new window guards not allowed

C. ECM improvements do not include installations of new roofs or photovoltaic solar (the CEED Program follows the DOE Weatherization Assistance Program determination that roof replacements and repairs are not energy saving measures (https://www.energy.gov/sites/prod/files/2019/09/f66/WPN-19-5.pdf)). Electrical fuse box/panel upgrades or installations are not included unless accompanied by an approved priority appliance installation. ECM improvements do not include replacement of functional, new (purchased within the last 10 years) appliances.

D. All ECMs and replacement units must meet safety guidelines. Under no circumstance should retrofit work that would exacerbate health and safety problems, for either the occupant or the worker, proceed.

1) All applicable State and local (or Authorities Having Jurisdiction (AHJ)) codes must be followed, and manufacturer approved materials and instructions must be used while installing any ECM.
i. Workers shall know when the AHJ requires a licensed professional to perform a certain task.

E. Replacement appliances shall comply with the minimum standards of energy efficiency for major appliances established by the National Appliance Energy Conservation Act (NAECA) of 1987.

1) Disposal according to applicable State and Federal laws, as appropriate. For Entities that contract out replacement and

disposal to third-party contractors, Entities are responsible for obtaining assurances from the third-party contractor that these items were disposed of according to applicable State and Federal laws, as appropriate.

F. All activities carried out with CEED Program funding must meet the objectives of the program (in addition to meeting the list of eligible activities specified above) ensuring energy bill totals do not increase and ensuring cost limitations are followed. Beneficial electrification or fuel switching measures may be installed as part of the retrofit process but must follow those parameters.

G. The term 'retrofit' is used as 'rehabilitation' implies improvements beyond the scope of an energy efficiency program. Unallowable rehabilitation activities include but are not limited to: creating additions or accessory units, changing floor plans, finishing attics and basements, repairing or replacing plumbing or electrical systems, completing kitchen and bathroom remodeling, renovating or constructing a garage, or installing new roofing/gutters/siding/etc., or major roof repairs.

TABLE 1: Allowable Default ECM Lifetimes

www.energy.gov/sites/default/files/2023-03/WPN%2023-06%20Revised%20Energy%20Audit%20Procedures%20Attachments.pdf

Maximum Lifetimes of Energy Conservation Measures			
#	**Measure Type**	**Measure Name**	**Life (yr.)**
1	Building Insulation	Attic insulation: blown in and batt	30
2	Building Insulation	Attic insulation: all other types	20
3	Building Insulation	Sill box insulation	20
4	Building Insulation	Foundation wall insulation	20
5	Building Insulation	Slab insulation	20
6	Building Insulation	Floor insulation: loose and batt types installed in fully enclosed air-tight cavities, and rigid insulation	30
7	Building Insulation	Floor insulation: all other types including loose and batt not installed in fully enclosed air-tight cavities	20
8	Building Insulation	Wall insulation: dense pack insulation, rigid insulation and full-cavity batt insulation in fully enclosed air-tight cavities	30
9	Building Insulation	Wall insulation: all other types	20
10	Building Insulation	Kneewall insulation: loose and batt types installed in fully enclosed air-tight cavities, and rigid insulation	30

11	Building Insulation	Kneewall insulation: all other types including loose and batt types not installed in fully enclosed air-tight cavities	20
12	Building Insulation	Duct insulation	20
13	Building Insulation	Manufactured home skirting	10
14	Building Insulation	White roof coating	7
15	Building Insulation	Radiant barrier	15
16	Ducts/Infiltration	Whole house air sealing	10
17	Ducts/Infiltration	Duct sealing	10
18	Doors and Windows	Storm window	15
19	Doors and Windows	Window replacement	20
20	Doors and Windows	Door replacement	20
21	Doors and Windows	Storm door	10
22	Doors and Windows	Window shading: awning	10
23	Doors and Windows	Sun screen: fabric or screen	10
24	Doors and Windows	Sun screen: louvered	15
25	Doors and Windows	Window film	15
26	HVAC Systems	Thermal vent damper	10
27	HVAC Systems	Electric vent damper	10
28	HVAC Systems	Intermittent Ignition Device (IID)	10
29	HVAC Systems	Electric vent damper and IID	10
30	HVAC Systems	Flame retention burner	10
31	HVAC Systems	Heating system tune up	3
32	HVAC Systems	Heating system replacement: fossil fuel fired furnaces and boilers, standard and condensing	20
33	HVAC Systems	Heating system replacement: all other heating systems except heat pumps	18
34	HVAC Systems	Smart/programmable thermostat	15

35	HVAC Systems	Air conditioner tune up	3
36	HVAC Systems	Air conditioner replacement	15
37	HVAC Systems	Evaporative cooler	15
38	HVAC Systems	Heat pump replacement	15
39	Baseloads	Lighting retrofit: fluorescent and compact fluorescent	*(Note 1)*
40	Baseloads	Lighting retrofit: LED	*(Note 2)*
41	Baseloads	Lighting retrofit: halogen	*(Note 3)*
42	Baseloads	Refrigerator replacement	15
43	Baseloads	Water heater tank insulation	13
44	Baseloads	Water heater pipe insulation	13
45	Baseloads	Low flow showerhead	15
46	Baseloads	Water heater replacement	13
47	Baseloads	Water heater setpoint reduction	13
48	Solar	Solar PV installations	20

Notes

1. *10,000 hours*
2. *30,000 hours*
3. *4,000 hours*

ATTACHMENT 3: Special Terms and Conditions

The following are incorporated into this Award by reference:

- Ch. 62-17A *et seq.*, NMSA 1978;
- 19.1.10 NMAC;
- The City's application/proposal as approved by ECAM;
- Procurement Code § 13-1-28, *et seq.* NMSA 1978 and § 13-1-191.1 NMSA 1978

1. **Flow Down Requirement:** The City agrees to apply the terms and conditions of this Award, as applicable, including the Intellectual Property Provisions, to all subcontractors (as appropriate), and to require their strict compliance therewith. Further, the City must apply the Award terms to all subcontractors (as appropriate), and to require their strict compliance therewith.

2. **Post-Award Due Diligence Reviews:** During the life of the Award, EMNRD may conduct ongoing due diligence reviews, through Government resources, to identify potential risks. In the event a risk is identified, EMNRD may require risk mitigation measures, including but not limited to, requiring an individual or City not participate in the Award.

3. **Allowable Costs:** ECAM determines the allowability of costs through reference to 2 CFR part 200 as amended by 2 CFR part 910, if applicable. The City is responsible for maintaining records adequate to demonstrate that costs claimed have been incurred, are reasonable, allowable and allocable, and comply with generally accepted accounting principles. The City must document and maintain records of all project costs, including, but not limited to, the costs paid by Federal funds, costs claimed by its subcontractors and project costs that the City claims as cost sharing, including in-kind contributions. Upon request, the City is required to provide such records to ECAM. Such records are subject to audit. Failure to provide ECAM adequate supporting documentation may result in a determination by ECAM that those costs are unallowable.

4. **Budget Amendments:** If any changes to the budget are required, the City shall request a budget amendment from ECAM and the request must be approved prior to implementation. Budget amendments shall be compatible with the terms of this Agreement and of such a nature as to qualify as an allowable cost. Budget amendments requested during the ninety (90) prior to the completion date will be approved on a limited basis.

5. **Subcontractor Change Notification:** Except for subcontractors specifically proposed as part of the City's Application for award, the City must notify ECAM in writing 30 days prior to the execution of new or modified subcontractor agreements, including naming any To Be Determined subcontractors.

6. **Organizational Conflict of Interest:** Organizational conflicts of interest are those where, because of relationships with a parent company, affiliate, or subsidiary organization, the City is unable or appears to be unable to be impartial in conducting procurement action involving a related organization.
The City must disclose in writing any potential or actual organizational conflict of interest to ECAM. The City must provide the disclosure prior to engaging in a procurement or transaction using project funds with a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe.

A. If the effects of the potential or actual organizational conflict of interest cannot be avoided, neutralized, or mitigated, the City must procure goods and services from other sources when using project funds.

B. The City must flow down the requirements of the COI Policy to any subcontractor entities. The City is responsible for ensuring subcontractor compliance with this term. If the City has a parent, affiliate, or subsidiary organization, the City must maintain written standards of conduct covering organizational conflicts of interest.

7. **Financial Conflicts of Interest:** The City must disclose in writing any managed or unmanageable financial conflicts of interest involving a member of the project team and include sufficient information to enable EMNRD to understand the nature and extent of the financial conflict, and to assess the appropriateness of the non-Federal City's management plan.

8. **Penalties**: Failure to follow any of the program guidelines or the provisions laid out in this Agreement can result in EMNRD imposing specific grant requirements or taking one or more of the following actions:

A. temporary withholding of payments until City takes corrective action;

B. disallowance of costs for all or part of the activity associated with the noncompliance of the City;

C. suspension or termination of the grant in part or in its entirety;

D. debarment or suspension of the City;

E. withholding of further funds from EMNRD; or

F. any and all other legal remedies.

9. **Fraud, Waste and Abuse:** The City must disclose, in a timely manner, in writing to EMNRD all violations of Federal or state criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. Failure to make required disclosures can result in any of the remedies described in Section 8, above.

10. **Prevailing Wage Requirements:** This award is funded as a Public Works

program. All laborers and mechanics employed by the City, subcontractors, contractors or subcontractors in the performance of construction, alteration, or repair work in excess of $60,000 on an award funded directly by or assisted in whole or in part by funds made available under this award shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by NMDWS or the US Secretary of Labor.

A. Recipients shall provide written assurance acknowledging the Prevailing Wage requirements for the award or project and confirming that all of the laborers and mechanics performing construction, alteration, or repair, through funding under the award are paid or will be paid wages at rates not less than those prevailing on projects of a character similar in the locality.

B. The City must comply with all of the Prevailing Wage requirements, including but not limited to:

1) ensuring that the wage determination(s) and appropriate Prevailing Wage clauses and requirements are flowed down to and incorporated into any applicable subcontracts or subcontractor awards.
2) being responsible for compliance by any subcontractor or subcontractor with the Prevailing Wage labor standards.
3) receiving and reviewing certified weekly payrolls submitted by all subcontractors and subcontractors for accuracy and to identify potential compliance issues.
4) maintaining original certified weekly payrolls for 3 years after the completion of the project and must make those payrolls available to the State, EMNRD or the Department of Labor upon request.
5) conducting payroll and job-site reviews for construction work, including interviews with employees, with such frequency as may be necessary to assure compliance by its subcontractors and subcontractors and as requested or directed by the State or EMNRD.
6) cooperating with any authorized representative of the Department of Labor in their inspection of records, interviews with employees, and other actions undertaken as part of a Department of Labor investigation.
7) posting in a prominent and accessible place the wage determination(s) and Department of Labor Publication: WH-1321, Notice to Employees Working on Federal or Federally Assisted Construction Projects.
8) notifying ECAM of all labor standards issues, including all complaints regarding incorrect payment of prevailing wages and/or

fringe benefits, received from the City, subcontractor, contractor, or subcontractor employees; significant labor standards violations; disputes concerning labor standards; disputed labor standards determinations; Department of Labor investigations; or legal or judicial proceedings related to the labor standards under this GSA, a subcontract, or subcontractor award.

9) preparing and submitting to ECAM, the Prevailing Wage Semi-Annual Labor Compliance information in Quarterly Reports, by April 20 and October 20 of each year.

Signature:

Email: xivigil@santafenm.gov

26-0087 New Mexico Energy, Minerals and Natural Resources Department

Final Audit Report 2026-03-04

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