

Growing an Energy Business in New Mexico

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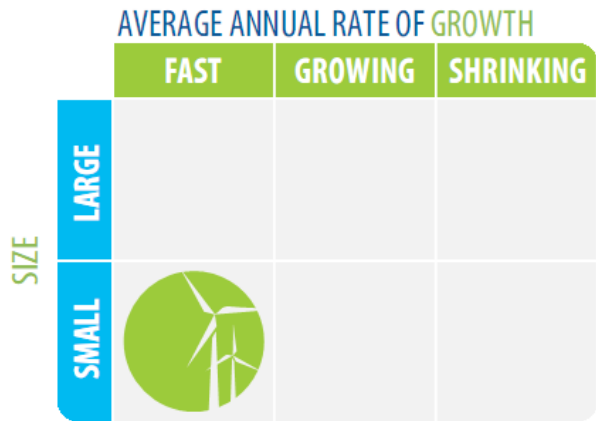
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<http://gonm.biz/greenEconomy/overview/index.html>



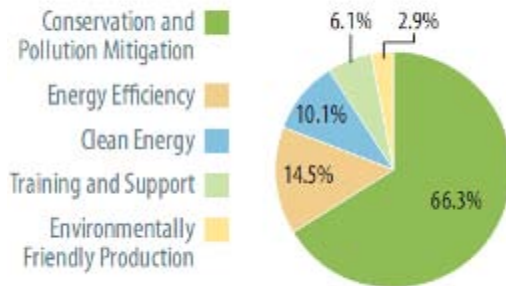
New Mexico Green Jobs Are Growing

STATUS OF CLEAN ENERGY ECONOMY



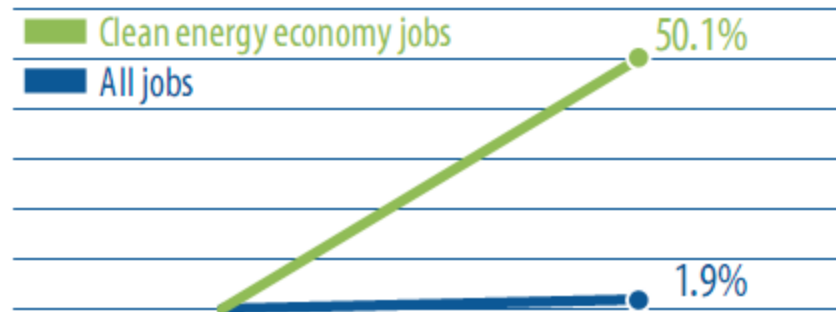
Average yearly rate of growth between 1998 and 2007

JOB CATEGORIES***



Share of jobs in the clean energy economy by category

10-YEAR GROWTH



Relative rate of growth between 1998 and 2007

BY THE NUMBERS, THE CLEAN ENERGY ECONOMY:

Jobs (2007): **4,815**

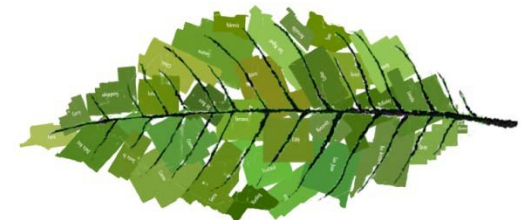
Businesses (2007): **577**

Venture Capital Funds (2006-2008)*: **\$147,912,504**

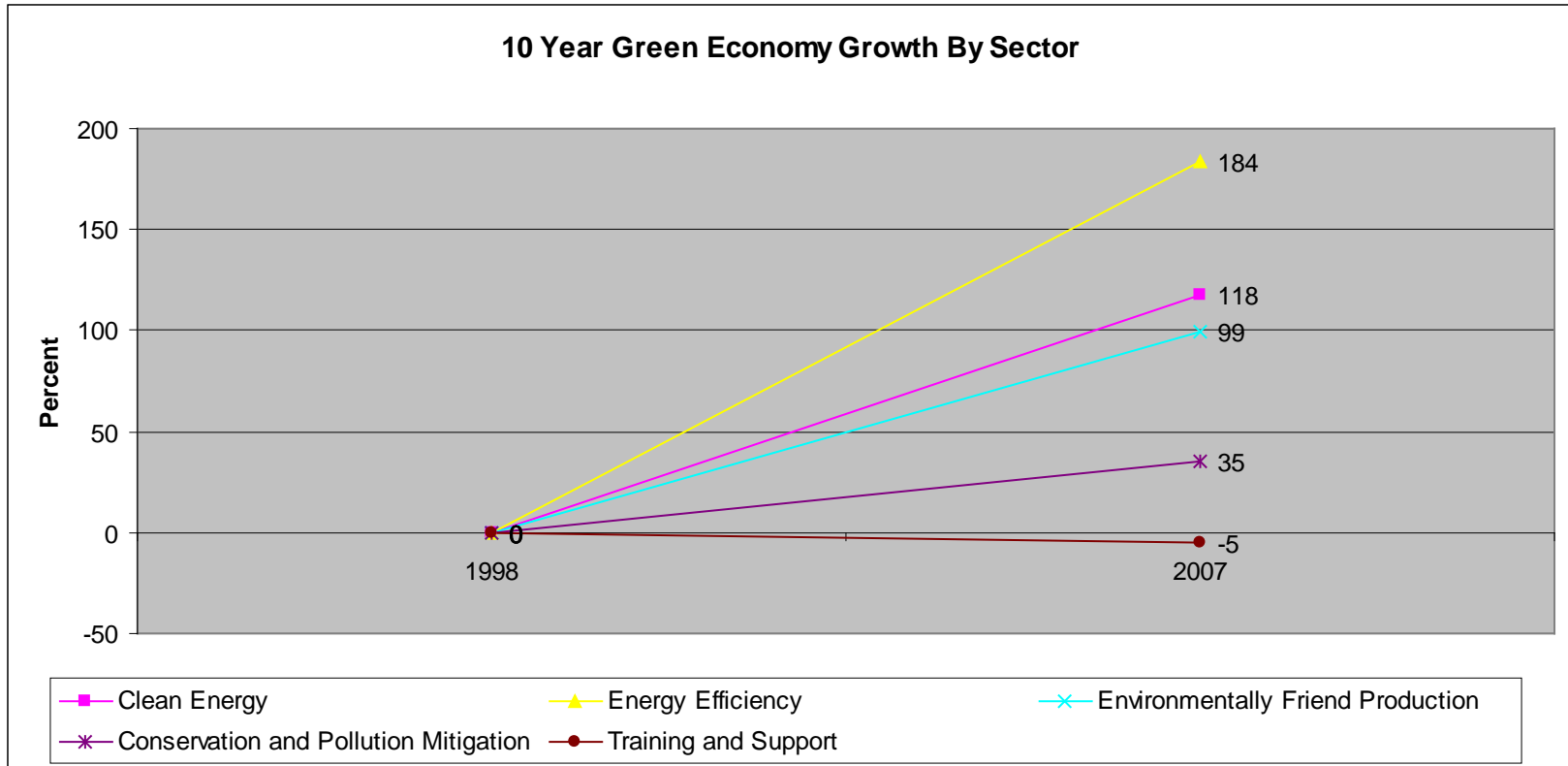
Patents (1999-2008): **95**

Source: Pew Charitable Trusts

http://www.pewtrusts.org/our_work_detail.aspx?id=690

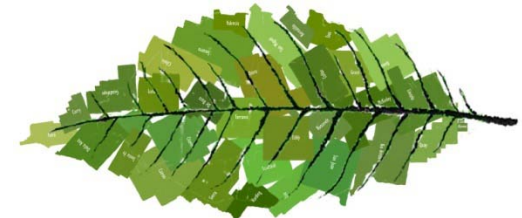


Green Economy Growth by Sector



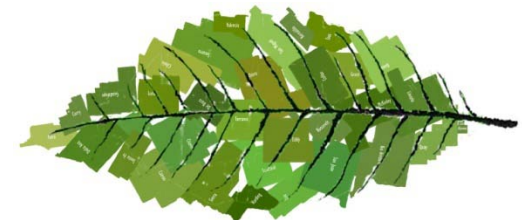
Source: Pew Charitable Trusts

http://www.pewtrusts.org/our_work_detail.aspx?id=690



Green Industries

- New Mexico is well positioned to experience major growth in a number of “green” industries
 - Renewable energy development (solar, wind, geothermal, biomass)
 - Energy efficiency and green building
 - Clean tech manufacturing (e.g. solar components)
 - Commercialization of new clean tech (e.g. “Green Grid”)
 - Biofuels (algae and drylands farmed)
 - Manure-derived bio-gas
 - Ecotourism (e.g. Eco Lodges and Eco Ranches)
 - Organic and sustainable agriculture
 - Clean water and clean air
 - Low-carbon transportation
 - Recycling and reuse



State Green Economy Strategy

Developed by Governor Richardson's Green Jobs Cabinet

1. Be the Leader in Renewable Energy Export

- Electricity and Biofuels
- Energy and Products

2. Be the Center of the North American Solar Industry: *Make New Mexico the "Solar Valley" of the United States*

- Entire Value Chain: R&D, Startups, Manufacturing, Installation

3. Lead the Nation in "Green Grid" Innovation

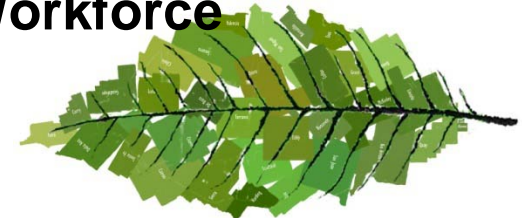
- Leverage research at universities and national laboratories and NM venture capital

4. Be a Center of Excellence for Green Building and Energy Efficiency

- Energy Efficiency Renovations and New Green Construction
- Green Building Products

5. Have a Highly Skilled and Ready-to-Work Workforce

- State workforce development plan is being developed (federal grant)

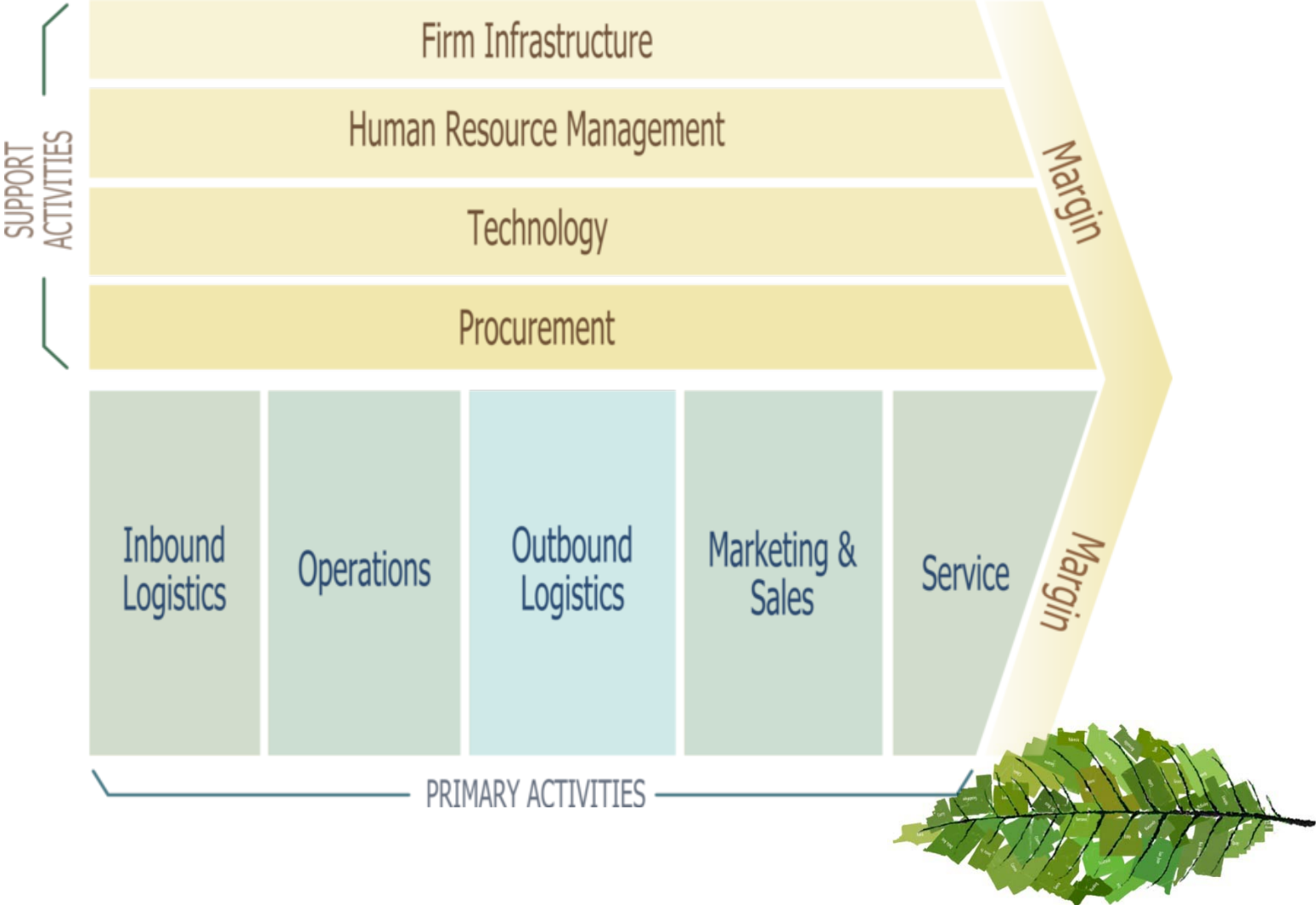


What is your niche?

- **Areas of growth**
 - What industries will be growing nationally and statewide?
- **Identify needs and gaps**
 - Talk to existing businesses in your area
 - What do they need? How can you help them?
 - Examine the value chain and look for gaps
- **Add new value to existing operations**
 - e.g. energy efficiency and co-production
- **Significant improvements**
 - Can you do anything 5x better, faster, cheaper?
 - Leverage specialized knowledge and technology

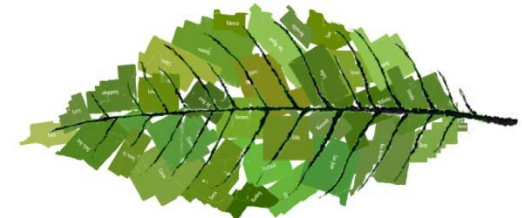


Examine the value chain for opportunities



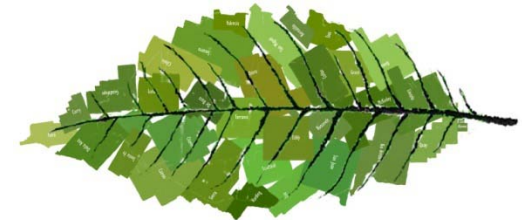
Niche examples

- **Areas of growth**
 - Renewable energy generation and related products
 - Biofuels
- **Identify needs and gaps**
 - Provide in-state supply of components used by manufacturers
 - Sell small wind turbines in rural New Mexico
- **Add new value to existing operations**
 - Co-production of geothermal power from oil and gas wells
 - Energy efficiency in factory operations
 - Manure to methane conversion
 - Direct-use of geothermal heat for greenhouses
- **Significant improvements**
 - New pump technologies
 - Advanced communications and controls



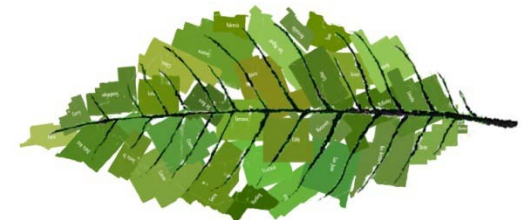
Sources of risk

- Have you done sufficient due diligence?
 - Develop business plan and verify the opportunity
 - Establish necessary business relationships
 - Financing
- Is the timing right?
 - Hype vs. reality
 - When will opportunities really come online?
 - Cash and patience: Can you survive until payday?
- Regulatory environment
 - Renewable energy is an emerging, subsidized market
 - Federal, state and local policy play significant roles and are subject to change



New Mexico has many incentives for a variety of businesses

- **Clean Energy Generation Incentives**
 - Renewable Energy Production Tax Credit
 - Electric Utility Programs
- **Job Creation Incentives**
 - Job Training Incentive Program (JTIP)
 - High Wage Job Tax Credit
 - Technology Jobs Tax Credit
 - Rural Jobs Tax Credit
- **Equipment , Facility and Investment Incentives**
 - Solar Market Development Income Tax Credit
 - Ground-Coupled Heat Pump Tax Credit
 - Sustainable Building Tax Credit
 - Alternative Energy Product Manufacturer's Tax Credit
 - Advanced Energy Tax Credit
 - Biomass-Related Equipment Compensating Tax Deduction
 - Bio Fuels Production and Sales Tax Incentive
 - Manufacturers' Investment Tax Credit
 - Angel Investment Tax Credit



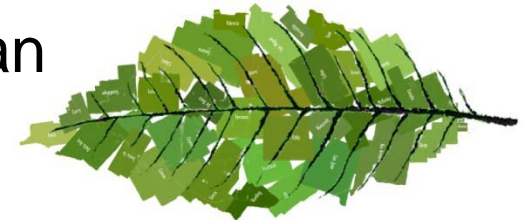
Job Training Incentive Program (JTIP)

- One of the strongest workforce training programs in the nation
- Funds classroom and on-the-job training for newly created jobs
- Reimburses from 50% to 80% of employee wages and required travel expenses for up to 6 months
- Applies to most green manufacturing and installation businesses
- Details: <http://www.gonm.biz/businessAssistance/jobTraining/index.html>



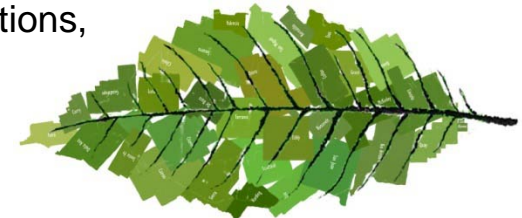
Common business start-up steps

- Management team
- Identify product or service
Proof of concept / demonstration
- Identify and size market:
Who needs it and why?
Confirmed orders
- ROI and financial models
- Sources of confirmed financing
Equity and debt
- SWOT Analysis
- Community support
- Site location, facility and equipment plan



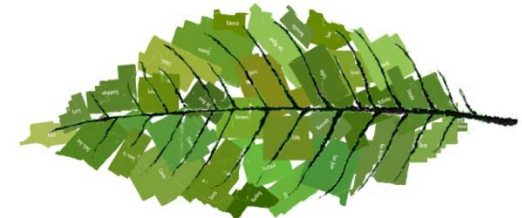
Where can I go for assistance?

- Developing a business plan
 - See your local Small Business Development Center
<http://www.gonm.biz/linksLists/index.html>
- Evaluating state job creation incentives that would apply to your business
 - Contact your state Business Development Representative
<http://www.edd.state.nm.us/businessAssistance/businessRep/index.html>
- Identifying sources of financing to grow your business
 - Contact the state Financial Assistance Team
<http://www.edd.state.nm.us/businessAssistance/financialAssistance/index.html>
- Help with clean energy system, energy efficiency and sustainable building incentives
 - Contact the state Energy Department
<http://www.emnrd.state.nm.us/ecmd/>
- Help with local business issues and connections
 - Contact your local chamber, economic development organizations, business incubators, etc.
<http://www.gonm.biz/linksLists/index.html>



Entrepreneurship and Equity Resources

- Technology Ventures Corporation
<http://www.techventures.org/>
- New Mexico Small Business Assistance Program (Sandia, LANL)
<http://www.nmsbaprogram.org/>
- New Mexico Angels
<http://www.nmangels.com/>
- New Mexico Venture Capital Association
<http://www.nmvca.org/>
- Coronado Ventures Forum
<http://www.cvf-nm.org/>
- New Mexico State Investment Council:
NM Private Equity Program
[http://www.sic.state.nm.us/
private_equity.htm](http://www.sic.state.nm.us/private_equity.htm)



References

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- New Mexico Gross Receipts Tax Credits: <http://www.tax.state.nm.us/forms/year99/crsforms.htm>
- State Economic Development: <http://www.edd.state.nm.us/>
- State Economic Development Incentive Information: <http://www.gonm.biz/businessAssistance/incentives/index.html>
- State Economic Development Financial Assistance: <http://www.gonm.biz/businessAssistance/financialAssistance/index.html>
- Job Training Incentive Program (JTIP): <http://www.gonm.biz/businessAssistance/jobTraining/index.html>
- New Mexico Green Economy: <http://www.edd.state.nm.us/greenEconomy/overview/index.html>
- Directory of Local Small Business Development Centers and Economic Development Organizations Statewide: <http://www.gonm.biz/linksLists/index.html>
- State Energy Department Information: <http://www.emnrd.state.nm.us/ECMD/index.htm>
- National Database of State Incentives for Renewable Energy and Energy Efficiency: <http://www.dsireusa.org/incentives/index.cfm?re=1&ee=1&spv=0&st=0&srp=1&state=NM>
- Electric Utility Renewable Energy Credit and Rebate Programs: <http://www.dsireusa.org/incentives/index.cfm?re=1&ee=1&spv=0&st=0&srp=1&state=NM>
- Public Regulation Commission Renewable Energy Page: <http://www.nmprc.state.nm.us/renewable.htm>

