

New Mexico SRF Green Project Reserve

The Drinking Water State Revolving Fund requires that 20% of the funds be utilized for a Green Project Reserve. EPA has defined four categories of Green Projects which are described below. Some projects require a “business case” which describes the project and justifies the energy or water conservation claims. Projects which have green and non-green components will receive green subsidy on only the green portion.

I. Energy Efficiency

Description: Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy.

Examples:

- a. Categorical: Installation of a renewable energy generation system (Photovoltaic, wind, hydroelectric, etc) that helps meet the utility’s energy needs
- b. Requiring a business case: Energy efficient retrofits and upgrades to pumps and treatment processes (must be able to demonstrate that there is at least a 20% energy saving over the replaced device).

II. Water Efficiency

Description: the use of improved technologies and practices to deliver equal or better services with less water.

Examples:

- a. Categorical: Installing water meters in a previously unmetered system; Automatic Meter Reading systems (AMR) such as Smart Meters; funding a retrofit program for high efficiency water fixtures and appliances; installing distribution system leak detection equipment; recycling and water reuse projects that replace potable sources with non-potable sources; replacing leaky drinking water distribution lines; Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems, including moisture and rain sensing controllers.
- b. Requiring a business case: replacement of leaky distribution (must be able to demonstrate that there is significant water loss and be able to quantify the loss)

III. Green Infrastructure

Description: Green Infrastructure includes a wide array of practices that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

Examples:

Categorical: Implementation of wet weather management systems for utility buildings and parking areas which include the incremental cost of porous pavement, bioretention, trees, green roofs, and other practices that mimic natural hydrology and reduce effective imperviousness.

IV. Environmentally Innovative Projects

Description: Within the context of the DWSRF program, “environmentally innovative projects” would include those that are: (1) consistent with the underlying project eligibilities of the DWSRF program; and (2) that demonstrate new and/or innovative approaches to delivering service and/or managing water resources in a more sustainable way, including projects that achieve public health protection and environmental protection objectives at the least life-cycle costs.

Examples:

- a. Projects, or components of projects, that enable the utility to adapt to the impacts of global climate change.
- b. Projects, or components of projects, consistent with a “Total Water Management” planning framework; or other planning framework within which project life cycle costs (including infrastructure, energy consumption and other operational costs) are minimized.

Business Case

The following gives some guidance as to what is required when developing a business case for a green reserve project.

- Business cases must address the decision criteria for the category of project.
- Quantifiable water and/or energy savings or water loss reduction for water and energy efficiency projects should be included.
- The cost and financial benefit of the project should be included, along with the payback time period, where applicable.