



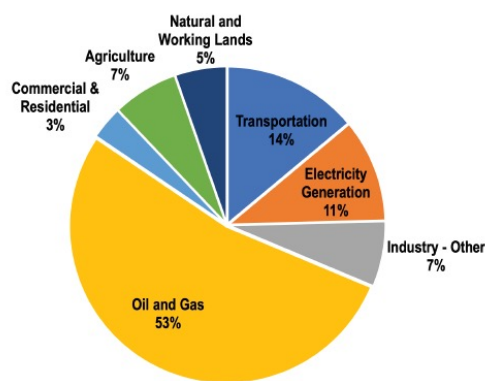
NEW MEXICO CLIMATE POLICY: ON THE WAY TO NET ZERO

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WHERE WE ARE AND WHERE WE'RE GOING

New Mexico's emissions profile

- In 2018, New Mexico produced approximately 113.6 million metric tons (MMT) of greenhouse gas emissions.
- Our goal is to be below 41.5 MMT of greenhouse gas emissions per year by 2030 – a 45% reduction from 2005 levels – and at net zero by 2050.



Progress in emission reductions since 2019

- Policies, legislation, and regulation in this administration have gotten us a long way to that 2030 goal ... but not all the way.

CO₂ EMISSIONS REDUCTIONS

CURRENT

Our current policies will reduce emissions by **31 million metric tons** of carbon dioxide equivalent (CO₂e) by 2030.

PLANNED

Under policies we have planned, we will reduce emissions by an additional **17.3 million metric tons** of CO₂e by 2030.

STILL NEEDED

We need **16.4 million metric tons** of further CO₂e reductions to hit our 2030 goal of 45% lower emissions than 2005 (64.6 MMT of CO₂e reduced).

- We are developing climate action plans that will cover the next five years (2023-2028), looking outside what state government can do alone and reaching out to all New Mexicans, with an eye towards creating an equitable, just, and specifically New Mexican journey to our climate targets.



OUR WORK AT EMNRD

Our focus areas include climate change, mining and oil & gas industry oversight, state parks, resilient resource management, and expanding renewable energy.

ACHIEVEMENTS IN THE ENERGY SECTOR

THE ENERGY TRANSITION ACT (2019)

Benchmarks for Utilities:

- 80% renewable energy by 2040 and 100% zero-carbon resources by **2045** (as long as safety, reliability and impacts to customer bills are considered).

Benchmarks for Rural Electric Cooperatives:

- 80% renewable energy and 100% zero-carbon resources by 2050 (with considerations for technical feasibility, reliability, and affordability)

ELECTRIC GRID MODERNIZATION (2020)

- Directed the Public Regulation Commission to allow for **reasonable cost recovery** for utility grid modernization projects
- Created the **Grid Modernization Grant Program** at EMNRD
- Directed EMNRD to prepare a **Grid Modernization Roadmap** for the state

SOLAR MARKET DEVELOPMENT TAX CREDIT (2020)

- 2020's legislation is incredibly popular with New Mexicans
- In 2021, 2,613 credit applications were approved, resulting in **19.27 MW of installed distributed solar capacity**
- Reaching the annual cap of **\$8 million**

COMMUNITY SOLAR (2021)

- Community solar **provides access to solar projects** for people who can't afford or otherwise do not choose rooftop solar – like renters and apartment dwellers.
- New Mexico's community solar law guarantees that each project must have a **30% capacity carve-out** reserved for low-income customers and service organizations

RESULTS SO FAR...

- In 2020 electricity-sector carbon dioxide emissions had already **declined 43.9% from 2005 levels**.
- 1,395 MW of renewable power generation came online in New Mexico between March 2019 and the end of 2021 (more than double the growth in the two years prior!)
- 155 miles of new high-voltage transmission completed in 2021

ACHIEVEMENTS IN THE OIL AND GAS SECTOR

Emissions from New Mexico's oil and gas sector account for 53% of all greenhouse gas emissions in the state, making industry our most-emitting sector. **However**, the state has made huge regulatory strides in the past three years which will reduce these emissions.

98% gas capture by 2026 (EMNRD's "waste rule")

In March 2021, EMNRD's Oil Conservation Division finalized its natural gas waste rules. The rules went into effect in May 2021 and include:

- A requirement of **98% gas capture** from oil and gas production and midstream operations **by the end of 2026**.
- A **ban on routine venting and flaring**.

Around 426,000 tons of methane reduced each year (NMED's ozone precursor rule)

In April 2022, the Environmental Improvement Board voted to approve NMED's ozone precursor rules, which not only reduce the emissions of ozone precursor pollutants, but also reduce methane emissions. The new rules are nationally-leading and comprehensively regulate oil and gas emissions.

INTEGRATING NEW MEXICO'S LANDSCAPE INTO CLIMATE ACTION

THE FOREST & WATERSHED RESTORATION ACT (2019)

FAWRA-funded projects enhance the adaptability and resilience of New Mexico's forests and watersheds to climate change and wildfire, improve water quality, and support economic activity associated with wood harvesting.

In 2021, over 2,247 acres were treated using FAWRA funds, and eight new projects are underway, including:

- the continuation of landscape-scale thinning projects in the Turkey and Zuni Mountains and along the Gila River;
- a new landscape-scale thinning project near Cimarron;
- two national forest projects near Cloudcroft and in the Zuni Mountains; and
- three new bosque restoration project areas on the Middle Rio Grande.

TRIBAL PARTNERSHIPS FOR LANDSCAPE RESTORATION

EMNRD's Forestry Division's tribal working group (established in 2021) has partnered with the state's tribes, nations, and pueblos to accomplish:

- \$1 million of treatment of forested areas containing springs on the lands of the Mescalero Apache Tribe;
- \$420,000 for treatment of the Rio Grande Bosque area of Santa Clara Pueblo;
- \$120,000 provided to Sandia Pueblo for wildland fire burn restoration and treatment of invasive species.

CHALLENGES THAT REMAIN

Closing the gap to our 2045 target requires finding at least 16 MMT CO₂e in additional reductions. This is an opportunity for policy and technology innovation.