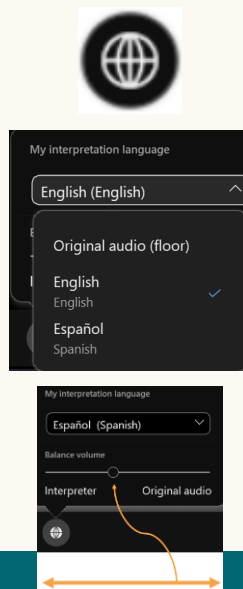


Computers

1. Find the interpretation channel located on the bottom left of your screen (looks like a globe).
2. Click on the globe and then select a language channel by clicking on "My Interpretation Language". Select "English" or "Spanish" on the drop-down menu.
3. You may move the slider bar in the selection area to adjust the volume of either the Spanish interpreter or the English interpreter.



Computadoras

1. Encontrar el canal de interpretación ubicado en la parte inferior izquierda de su pantalla (parece un globo terráqueo).
2. Haga clic en el globo terráqueo y después seleccione un canal de idiomas haciendo clic en "Mi idioma de interpretación". Seleccione "Inglés" o "Español" en el menú desplegable.
3. Puede mover la barra deslizante en el área de selección para ajustar el volumen del intérprete de español o del intérprete de inglés.

Cell Phones, Tablets

1. In the meeting controls, tap ... "More"
2. Select "Language Interpretation." Tap "English"

Celular, Tableta (Móvil)

1. En los controles de la reunión, haga clic en ... "More" (Más)
2. Seleccione "Language Interpretation." Haga clic en "Spanish"



NM Climate Action Plan



Electricity Sector

Richard Kirschner, Climate Action Plan Analyst,
Energy, Minerals & Natural Resources Department,
Climate Policy Bureau

Rachel Finkelstein, Climate Policy Bureau Chief,
Energy, Minerals & Natural Resources Department,
Climate Policy Bureau

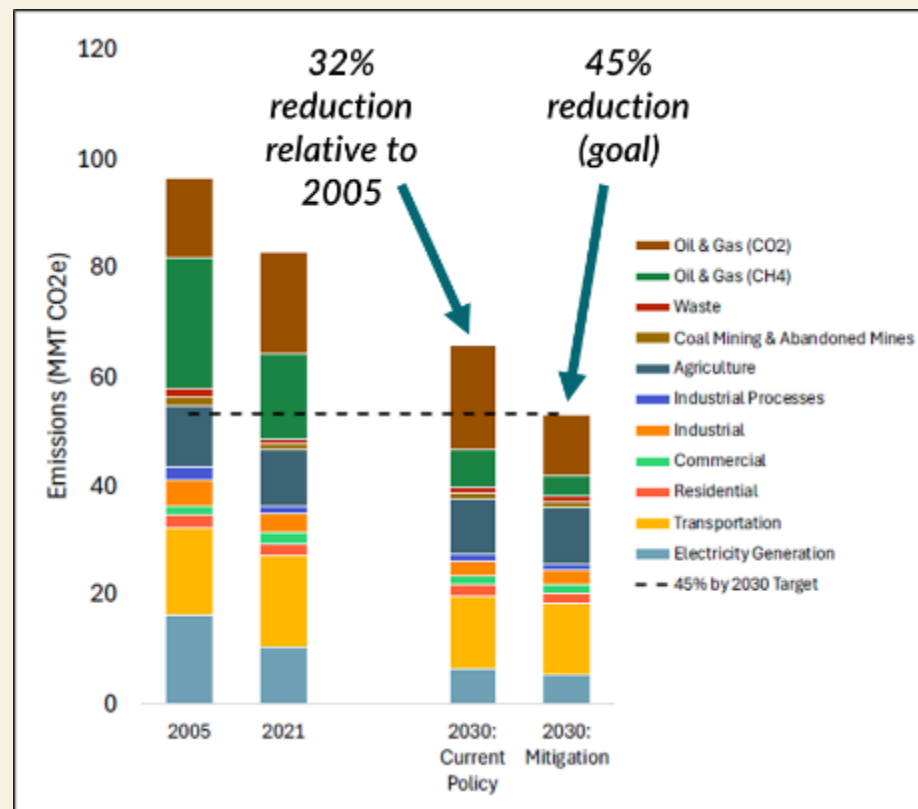
May 13th, 2025



New Mexico GHG Emissions



- Greenhouse gas emissions inventories provide a *science-based best estimate* of greenhouse gas emissions for a particular time and place
 - ▣ NM's inventory uses NMED-led analysis of oil & gas industry with EPA and EIA data for other industries
 - ▣ New Mexico's latest greenhouse gas emissions inventory is for 2021, and it shows that greenhouse gas emissions *decreased* by 14% from 2005 to 2021
 - ▣ New Mexico's greenhouse gas emissions inventory also provides *future projections* of the state's emissions
 - ▣ To achieve 45% reduction by 2030 (Executive Order 2019-003), additional climate policy measures need to be developed and implemented
 - ▣ NM's Climate Action Plan will provide a roadmap for these policies

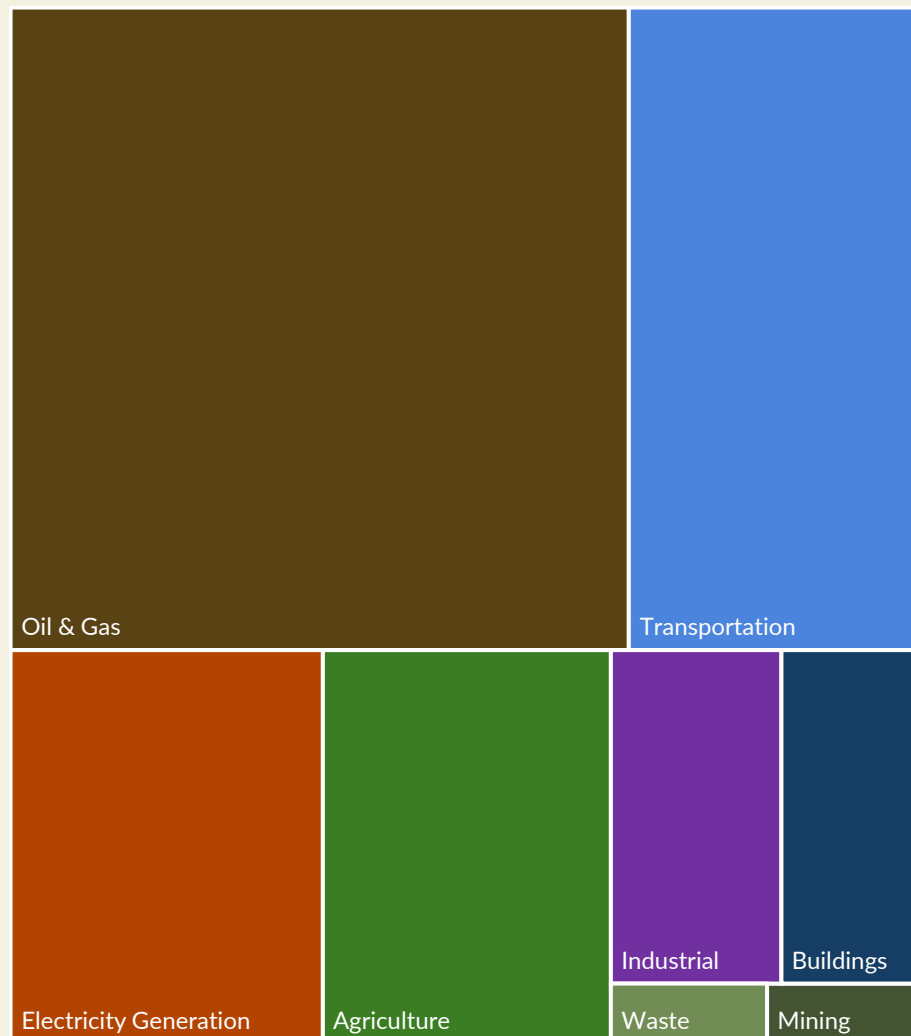




New Mexico 2021 GHG Emissions



2021 NM Relative GHG Emissions By Sector



- The four top GHG-emitting sectors in New Mexico are:
 - ▣ Oil & gas – 42%
 - ▣ Transportation – 20%
 - ▣ Electricity Generation – 13%
 - ▣ Agriculture – 12%
- Collectively, these sectors are responsible for ~87% of NM's GHG emissions
- NM's Climate Action Plan will prioritize emissions reduction potential, cost, and feasibility while also accounting for co-benefits, community priorities, and LIDAC benefits



NM Climate Action Plan



- [1] To reduce climate pollution 45% by 2030 (compared to 2005).
- [2] To lead New Mexico to net zero climate pollution by 2050.



**PROGRAMS, POLICIES AND PROJECTS THAT FOSTER
COMMUNITY HEALTH, WORKFORCE OPPORTUNITIES & ECONOMIC DEVELOPMENT.**

DUE DECEMBER 2025



What Will the CAP Give NM?



- 1.) 2023 GHG Inventory
- 2.) GHG Emissions Projections
- 3.) Quantified Emissions Reductions by Measure
- 4.) Community & LIDAC Benefits Analysis
- 5.) Review of Authority and Timeline to Implement
- 6.) Cost Estimates and Funding Options
- 7.) Workforce Planning Analysis
- 8.) Stakeholder and Community Engagement
- 9.) Tribal Government Engagement
- 10.) Plan to Meet New Mexico's Emissions Targets





Climate Action Planning Timeline



May - June

- Round 2 Engagement.
- Develop Final Measure List.

July - Sept.

- Complete Quantitative Analyses.
- Write CAP Report.

Sept. - Dec.

- Leadership Review
- Submit to EPA and Publish CAP

➡ **December 2025 – July 2027: Status Update Phase**



Measure Selection Criteria



Measures will be selected using 5 main criteria.

IMPACT OF CLIMATE
POLLUTION
REDUCTIONS

COST AND
AVAILABILITY OF
FUNDING

FEASIBILITY OF
IMPLEMENTATION

TRANSFORMATIVE
IMPACT

COMMUNITY
VALUES



Community Engagement Goals



Successful climate action planning looks different in different parts of the state. We sought to hear what participants would like it to look like in their community and statewide.



**Personal
Values**



**Community
Priorities**



**State
Priorities**



Round 1 Engagement



2/20 - Gallup



2/27 - Hobbs



3/6 - Tucumcari



3/13 - Silver City



3/20 - Las Vegas



3/27 - Albuquerque

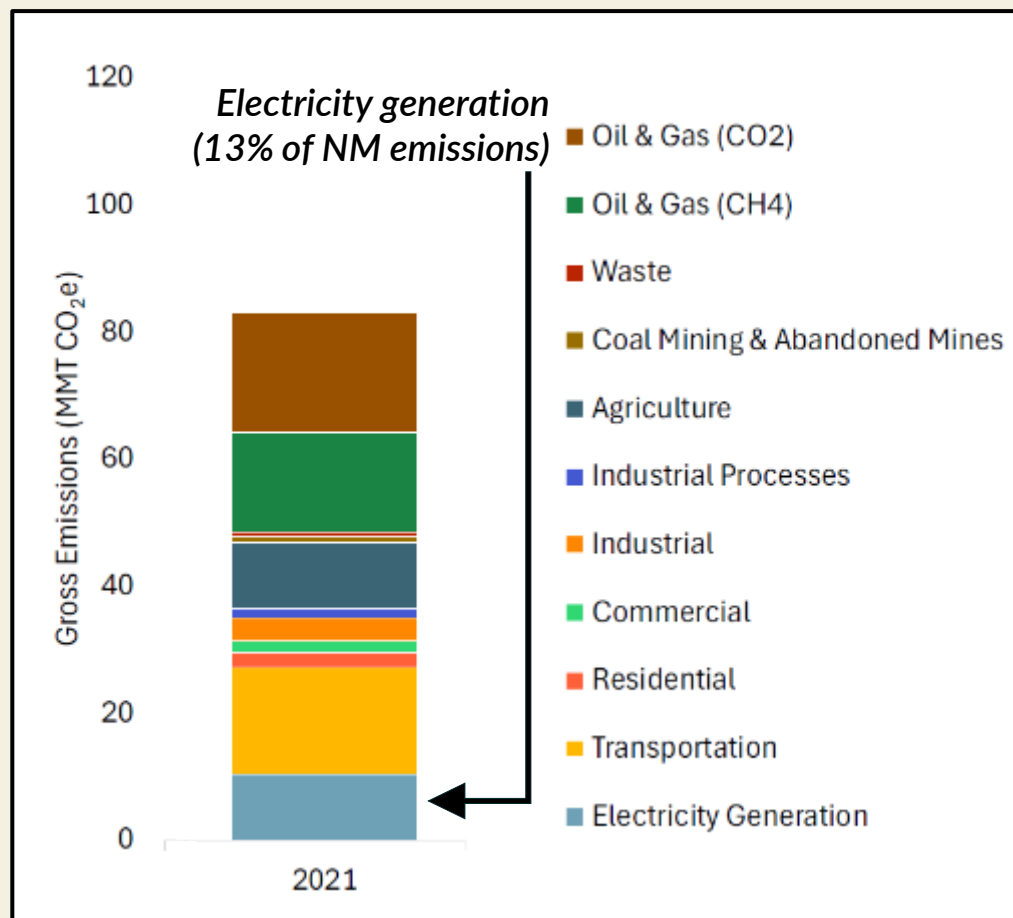


4/3 - Statewide Virtual Meeting



Electricity Sector Emissions

- Electricity sector emissions come mostly from combusting fuel (like natural gas) at power plants to generate electricity
- For our inventory, emissions from Tribal sources such as the coal-fired Four Corners Power Plant are not included
- Electricity sector measures will build upon the Energy Transition Act (2019 SB 489) and Energy Grid Modernization Roadmap (2020 HB 233)





Energy Transition in New Mexico



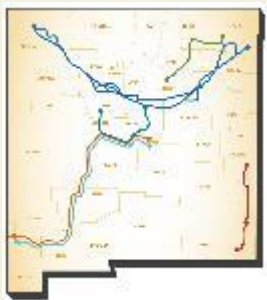
The ***Energy Transition Act (ETA)*** established New Mexico as a national leader in clean energy.

For investor-owned utilities, the ETA set a renewable energy standard of 50% by 2030, 80% by 2040, and 100% zero-carbon resources by 2045.



The ***SunZia Wind*** project in central New Mexico is a 3.5 GW wind farm. Once completed, it will be the largest wind project in the Western Hemisphere.

The economic impact is estimated to be **\$20.5 billion** over 30 years!



The ***New Mexico Renewable Transmission Authority*** has partnered with developers who have built, are constructing, or are developing over 1,500 miles of high-voltage transmission in New Mexico.

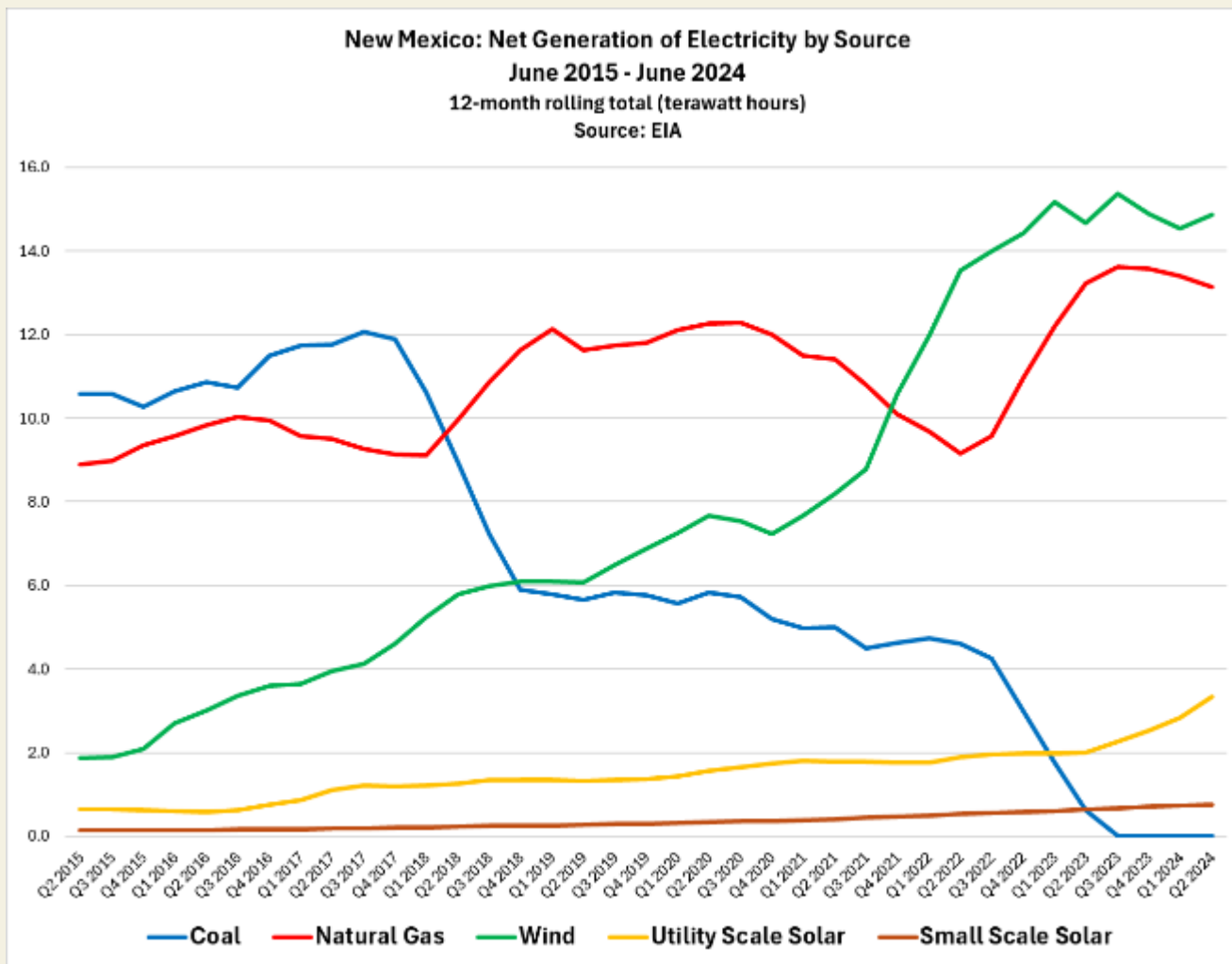
These projects increase the state's grid capacity to carry more than 10,000 megawatts, enough to power **more than 5 million homes**.



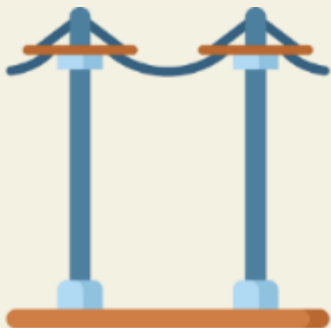
Electricity Sector Power Generation Mix



- New Mexico's generation mix has rapidly changed:
 - In 2015, coal and natural gas comprised 88% of in-state generation
 - Today, wind and solar comprise 59% of in-state generation, natural gas contributes 41%, and coal contributes 0%
- New Mexico is consistently a net exporter of electricity, even as in-state demand for electricity has increased over time (23% from 2005–2021)
 - Most of the increased electrical demand since 2005 was in the industrial sector (which includes oil and gas, data centers, etc.)



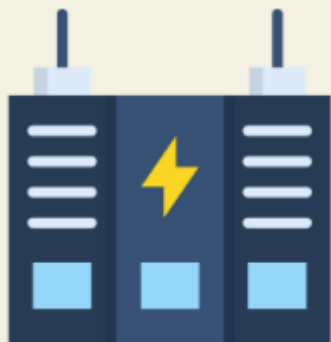
Barriers to Decarbonization



Transmission Capacity & Interconnection Queues



Increase in Peak Demand



Technology like Long-Duration Energy Storage (LDES)



Electricity Sector Measures



Transmission & Generation

Deploy 6 GW of transmission capacity to connect new renewables to New Mexicans and the Permian Basin. Promote the development of at least 10 GW of total renewable generation and at least 6 GW of energy storage

Develop permitting processes that de-risk project development to attract private investment. Support transmission projects that increase the resiliency of intrastate distribution systems. Facilitate outreach activities and technical support in communities with anti-transmission ordinances.



Electricity Sector Measures



Interstate Transmission

Prioritize & incentivize interstate transmission along existing rights-of-way. Incentives could include tax credits for interstate transmission lines that meet certain criteria: ex. capacity, AC off-ramps, and community benefit funds. Leverage higher-education partners to analyze where transmission lines would have the fewest barriers to development across the state.



Electricity Sector Measures



Demand Response



Incorporate the integration of distributed energy resources as well as distribution system updaters in state and PRC energy planning. Unlock compensation for energy storage as a grid resource, such as peak demand reduction or demand response.

Incentivize behind-the-meter and smart-grid technologies. Use grants, revolving funds, and community awareness activities to deploy these technologies, focusing on LIDACs that are electrifying their energy consumption.

Work with the PRC to design goals for distributed energy resources (like shorter timelines, MWs installed) where the utility can earn a bonus. Can also be fined for not meeting their goals.



Electricity Sector Measures



Grid Modernization

The state will support the development of a plan to integrate advanced conductors and other grid-enhancing technologies (GETs) on new and existing transmission routes. The state will prioritize: Understanding future needs, evaluating the role of GETs, establishing GET standards, and requiring utilities to report hosting capacity maps to the PRC.

Work with the PRC and utilities to establish virtual power plant programs. It can be modeled after existing programs like the Massachusetts Clean Peak Standard. Provide energy storage tax credits for consumers. Unlock compensation for energy storage as a grid resource.



Electricity Sector Measures



Mine + Brownfield Incentive

Incentivize the implementation of clean energy hubs in former mine lands and brownfields. This includes offering grants and revolving funds to deploy renewable energy and address environmental justice concerns around the site. This can be achieved by developing project agreements that guarantee economic benefits, ensure accountability, and address environmental justice concerns.



Electricity Sector Measures



Tribal Energy Sovereignty

Support Tribal energy sovereignty through Tribal clean energy grants. This measure supports continued funding for federally recognized Tribal governments and tribes' contracted service providers to promote energy sovereignty, advance resiliency, and contribute to New Mexico's climate, energy, and environmental justice goals. This may include projects that modernize the electric grid, promote innovation in renewable energy deployment, enhance community resilience, and support the siting and permitting of clean energy projects.



Electricity Sector Measures



Enhanced Geothermal

Support the development of enhanced geothermal energy as a key component of New Mexico's clean energy future. Key Actions: Explore opportunities to fast-track exploration and facility permitting to reduce project timelines and uncertainty; establish tax credits for exploratory geothermal drilling, with the condition that all raw subsurface data be shared with the state to support public geothermal resource mapping and analysis; develop a comprehensive statewide geothermal resource map that highlights site suitability for enhanced geothermal development; request the Public Regulation Commission examine the use of clean transition tariffs to help connect large new industrial loads, like data centers, to long-term, firm renewable energy supplies.



Electricity Sector Measures



Zero- and One-Percent Loans



Scale zero- and one-percent interest loans to educational agencies, municipalities, and Tribal Nations for clean energy generation, energy storage, zero-emission vehicle infrastructure, and energy efficiency upgrades. This measure aims to ensure that loan repayments do not exceed the utility bill savings generated by these measures, thereby maintaining budget neutrality for applicants.



Electricity Sector Measures



Microgrid

Enable renewable generation and battery storage-fed microgrids for rural communities and Tribes through grants and tax credits.



Electricity Sector Measures



Long-Duration Energy Storage Pilot

Launch a pilot program to evaluate emerging long-duration energy storage technologies capable of providing storage for 10+ hours, suitable for New Mexico's climate and energy landscape. Technologies under consideration may include gravity-based storage, molten rock thermal storage, and hydrogen, among others. The pilot will consider site-specific factors, nominal duration, average round-trip efficiency, capacity, lifecycle emissions, cost, and community impacts



Electricity Sector Measures



Distributed Wind & Storage Tax Credit

Funding for distributed wind generation, offering incentives for wind projects with battery storage that yield enhanced community benefits. Incentives will vary in size based on the total installed capacity of the generation and storage systems.



Electricity Sector Discussion



**Transmission &
Generation**

**Mine &
Brownfield**

Microgrid

**Interstate
Transmission**

**Tribal Energy
Sovereignty**

**Long Duration
Energy Storage**

**Demand
Response**

**Enhanced
Geothermal**

**Distributed
Wind**

**Grid
Modernization**

**Zero- & One-
Percent Loans**

**Community
Measures**