



NEW MEXICO

GHG REDUCTION



GHG EMISSIONS-REDUCTION TARGET
45% below 2005 levels by 2030

RENEWABLES



CLEAN ENERGY TARGET
40% by 2045 and 50% by 2030
for investor-owned utilities and
rural electric cooperatives

80% by 2040 for investor-owned
utilities and by 2050 for rural
electric cooperatives

JOBS



**RENEWABLE ENERGY
& ENERGY EFFICIENCY JOBS**
10,161

(EFI & NASEO, 2019)

Photo credit: EMNRD

NEW MEXICO'S CLIMATE LEADERSHIP

The 2019 *Energy Transition Act* sets bold statewide renewable energy standards and establishes a low-carbon energy transition away from coal while providing workforce training and community transition assistance. Governor Michelle Lujan Grisham's climate executive order set a statewide greenhouse gas (GHG) reduction target of 45% below 2005 levels by 2030.

Climate Framework and Laws In January 2019, Governor Michelle Lujan Grisham issued Executive Order 2019-003 (EO 2019-003) announcing New Mexico's membership in the U.S. Climate Alliance, while also directing state agencies to evaluate climate-change impacts and incorporate mitigation and adaptation into state programs and operations. The order issued a statewide goal of reducing GHG emissions 45% below 2005 levels by 2030 and established an interagency Climate Change Task Force. The Task Force is required to issue a New Mexico climate strategy by September 2019,

which should consider a range of emissions-reduction policies, including vehicle standards, building code modifications, market-based initiatives, and renewable energy transmission infrastructure development.

Power Generation In March 2019, the governor signed the *Energy Transition Act*, which increases the state's renewable energy standard (RES) to 40% by 2045 and 50% by 2030 for investor-owned utilities (IOUs) such as Public Service Company of New Mexico (PNM) and rural electric cooperatives. For IOUs, the law increases

that standard to 80% by 2040 and targets 100% carbon-free sources by 2045. For electric cooperatives, the bill calls for a similar goal by 2050. The bill also establishes three funds to provide transition assistance to tribal communities, displaced workers, and the broader affected community to promote economic development and job training.

Energy Efficiency In 2019, a new bill passed updating utility energy-efficiency targets and removing utilities' barriers to energy conservation by decoupling profit gains from quantity of power sold. In April 2019, New Mexico's General Services Department announced a \$32 million energy-efficiency project retrofitting more than 30 State office buildings in Santa Fe. The project will include lighting efficiency and HVAC improvements, solar power for 19 buildings, and battery storage capabilities for solar power. New Mexico is leading by example through this initiative, which will save the state an estimated \$1.1 million per year.

Transportation In March 2019, legislation passed clarifying that electric vehicle (EV) charging infrastructure providers will not be regulated as public utilities. By reducing uncertainty about how these companies will be regulated, the bill aims to spark EV infrastructure deployment in New Mexico. The bill also enacts a new section of the *Public Utilities Act* requiring public utilities to file an application to expand transportation electrification with the commission. Applications will be evaluated on factors including reduction of GHG emissions and air pollution, accessibility increases for low-income and underserved users, and expected efficiency improvements. Governor Lujan Grisham's EO 2019-003 directs the Climate Change Task Force to evaluate the options to reduce GHG and criteria pollutant emissions from light-duty vehicles sold in state, including low-emission vehicle (LEV) emissions standards and zero-emissions vehicle (ZEV) performance standards. New Mexico has also taken efforts to electrify its State vehicle fleet.

Resilience In 2019, two new resilience-related bills were enacted: the *Forest & Watershed Restoration Act* (with \$2 million recurring funding for projects) and the *Healthy Soils Act*. The report due under EO 2019-003 is expected to yield additional resilience strategies.

Climate Finance New Mexico offers various sustainability tax credits. The Sustainable Building Tax Credit program applies to commercial and residential buildings that meet certain green-building or energy-efficiency requirements. The state's Biodiesel Blending Facility Tax Credit covers up to 30% of the cost of both purchasing and installing equipment used to produce biodiesel blends containing at least 2% biodiesel, with a maximum credit amount of \$50,000 per facility. The geothermal ground-coupled heat pump tax credit provides up to 30% of system cost, up to \$9,000. The Agricultural Biomass Tax Credit incentivizes the removal and transportation of agricultural biomass waste to generate electricity or renewable natural gas.

Short-Lived Climate Pollutants Pursuant to EO 2019-003, the New Mexico Environment Department and the state's Energy, Minerals and Natural Resources Department are jointly developing a statewide, enforceable regulatory framework to secure reductions in oil- and gas-sector methane emissions and to prevent waste from new and existing sources. New Mexico released a detailed state map indicating the location and scale of methane emissions from wells across the state, including oil, gas, CO₂, injection, and water wells. The map also shows the total excess volatile organic compound emissions reported as a measure of air-quality impacts.