



**New Mexico State Land Office  
Water and Natural Resources Committee  
October 4, 2023**

**OPEN**  
**FOR**  
**BUSINESS**

- Agriculture
- Land Stewardship
- Renewable Energy
- Outdoor Recreation
- Oil, Gas, and Minerals
- Business Development





# NEW MEXICO STATE LAND OFFICE (NMSLO)

- Manages 9 million acres of surface and 13 million acres of mineral estate.
- Beneficiaries include public schools, universities, and hospitals.
- Optimizes revenues while protecting the health of the land for future generations.
- Generates billions of dollars each year to support these beneficiaries, reducing the burden on taxpayers and the state's general fund.





# OFFICE OF RENEWABLE ENERGY (ORE)

- Created by Commissioner Garcia Richard
- ORE consists of four FTE
- Manages and processes renewable energy leases
- Markets trust lands for development
- Negotiates wind and solar leases
- Manages lease auction process





# OFFICE OF RENEWABLE ENERGY

- Earned about \$20 million since FY19
- Renewable energy generating capacity on state trust land quadrupled since 2019 (400 MW to 1,955 MW)
- 40 active leases
- ORE is actively marketing state trust land and establishing new partnerships with developers





# REVENUE STRUCTURE

## Renewable Energy leases:

- lower payments in the front end as projects are constructed
- higher payments once sales of power occur
- often allow NMSLO to share in revenue streams

## Payments include:

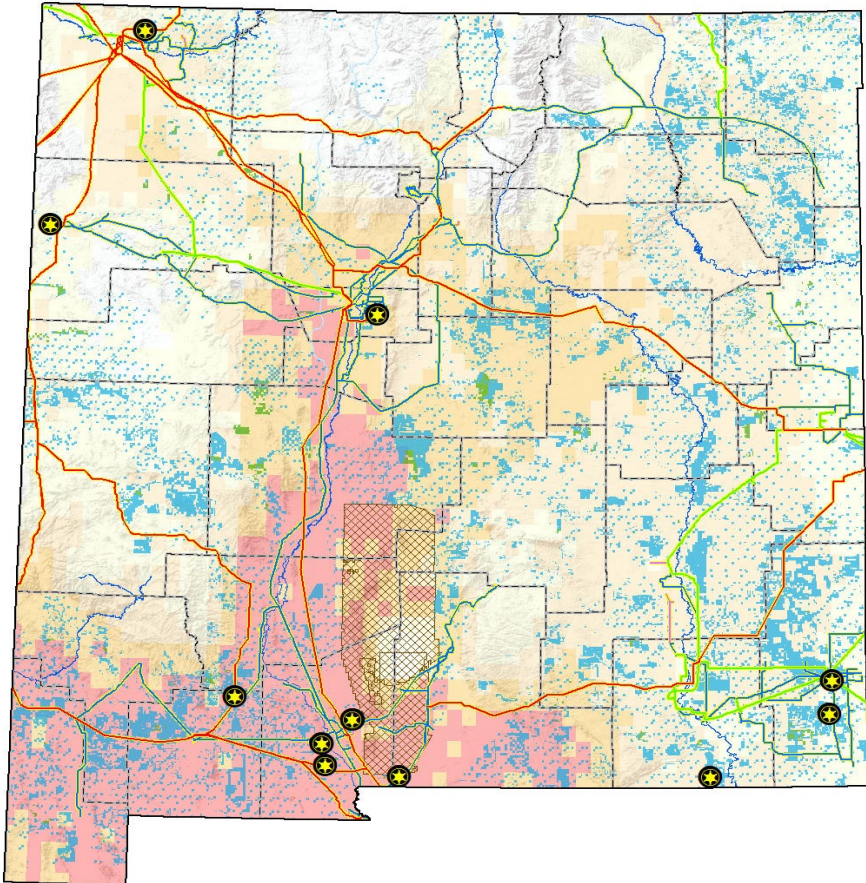
- Auction Bonus bids
- Initial Phase rent
- Ground disturbance and equipment placement fees
- Operations Phase rent
- Percent Rent (percent of lessee's gross revenues)

*Most of our large wind farm leases are still in the development stage with significant revenue increases once operational. Two-thirds of wind leases are in the initial phase (18 out of 27) and one-third of solar leases are in the initial phase (4 out of 12)*





# SOLAR LEASES IN OPERATION PROJECT MAP



<b>Solar Stats</b>	
Active Leases	13
Acres under Lease	5461
Power Capacity (Generating)	72.7
Power Capacity (In development)	325.8
TOTAL MW	398.5
FY23 Revenue	\$548,960



# BUENA VISTA - SOLAR EXAMPLE

## Buena Vista Energy Center

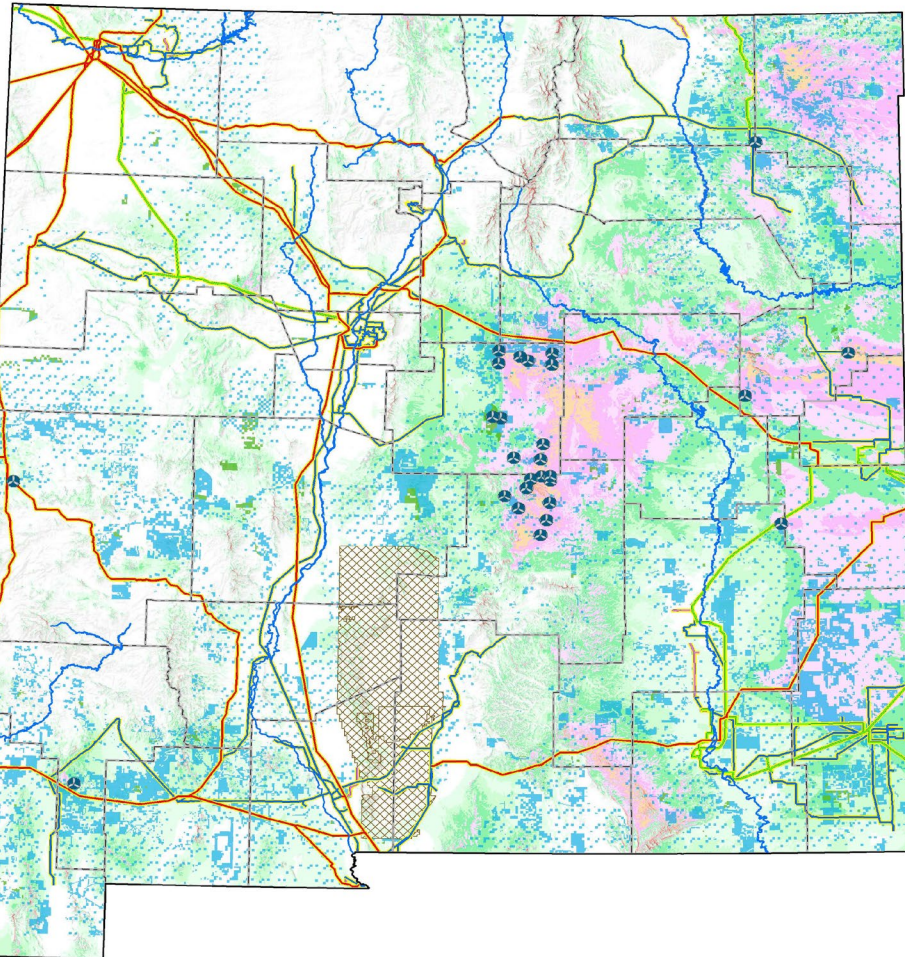
- NextEra Energy Resources
- 2,775 acres Otero County
- 120 MW (450,000 panels)
- Battery storage system 200 MW/ hours
- Additional 100 MW expansion possible
- Under construction / 2023 delivery to El Paso Electric
- Min. project payments of \$12.5 million (NMSU, public schools)







# WIND LEASES IN OPERATION PROJECT MAP



<b>Wind Stats</b>	
Active Leases	27
Acres under Lease	259651
Power Capacity (Generating)	367.7
Power Capacity (In development)	1188.7
<b>TOTAL MW</b>	<b>1556.4</b>
<b>FY23 Revenue</b>	<b>\$3,854,383</b>



# PATTERN ENERGY - WIND EXAMPLE

- Min. estimated lifetime earnings of **over \$360 million** from existing Pattern Energy projects (direct lease revenue)
- **Western Spirit Wind**
  - Operational since 2021 (50+ MW)
  - 10,000 acres of trust land in Torrance, Lincoln counties
- **Sun Zia Wind**
  - In development (650+ MW)
  - 146,580 acres of trust land in Torrance, Lincoln, San Miguel counties
  - Overall project will be largest in Western hemisphere
- **Sun Zia Transmission Line**
  - ROW on 443 acres of trust land





# COMMUNITY SOLAR PROGRAM

- Allows utility customers to participate in solar energy production
- Signed into law (Community Solar Act) in April 2021

## State Land Office Participation

- 12 Community Solar projects on state trust land were granted allocations by the Public Regulation Commission
- Applications in Dona Ana, Valencia, Bernalillo, Hidalgo, Grant, Roosevelt, and Eddy counties from 5 separate developers
- Conducting due diligence, negotiating long term leases, and preparing to take these leases out to bid







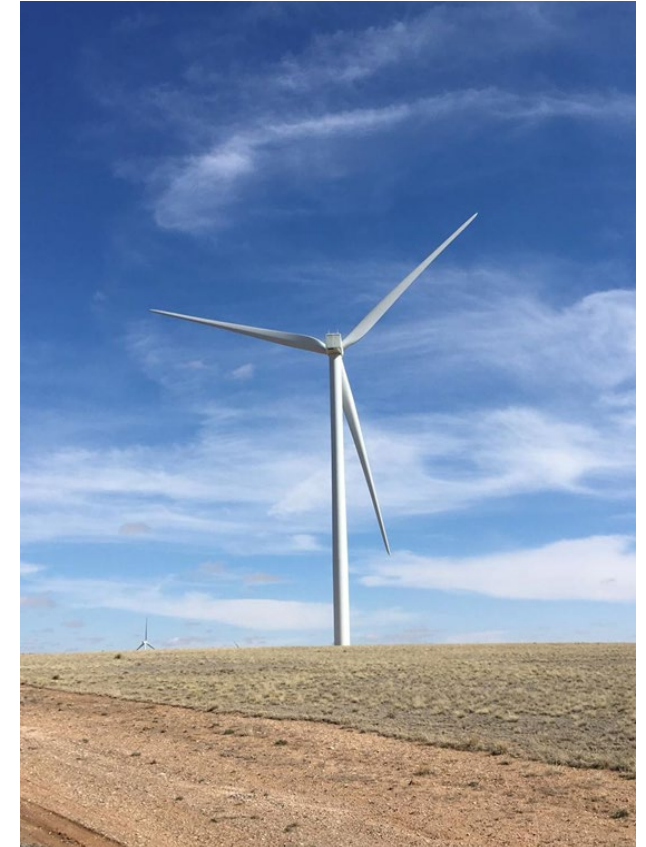
# LEASE APPLICATIONS

Lease application pool is strong...

- 7 long-term wind leases with generation capacity of 3,720 MW
- 9 long-term solar applications with a generation capacity of 6,095 MW
- Wind and solar project scale (MWs) is increasing

Besides providing funds to our beneficiaries, these projects also:

- create jobs
- generate tax payments and land owner payments
- help fight climate change





## AREAS OF INTEREST

Development is following transmission. For example, the south west (I-10 corridor) is in high demand now because:

- Multiple transmission lines including Sun Zia and Southline
- Large consolidated tracts of NMSLO lands
- Ability to market to multiple off-takers including Arizona Public Service (APS), Salt River Project (SRP), El Paso Electric (EPE), Tucson Electric Power (TEP), and PNM
- Combined with solar energy, projects provide diversified generation that produces energy day and night.

The next high demand area?

.....the NE part of the state, after NM North Path and other transmission is developed.



# NEW MEXICO STATE LAND OFFICE THANK YOU!

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