



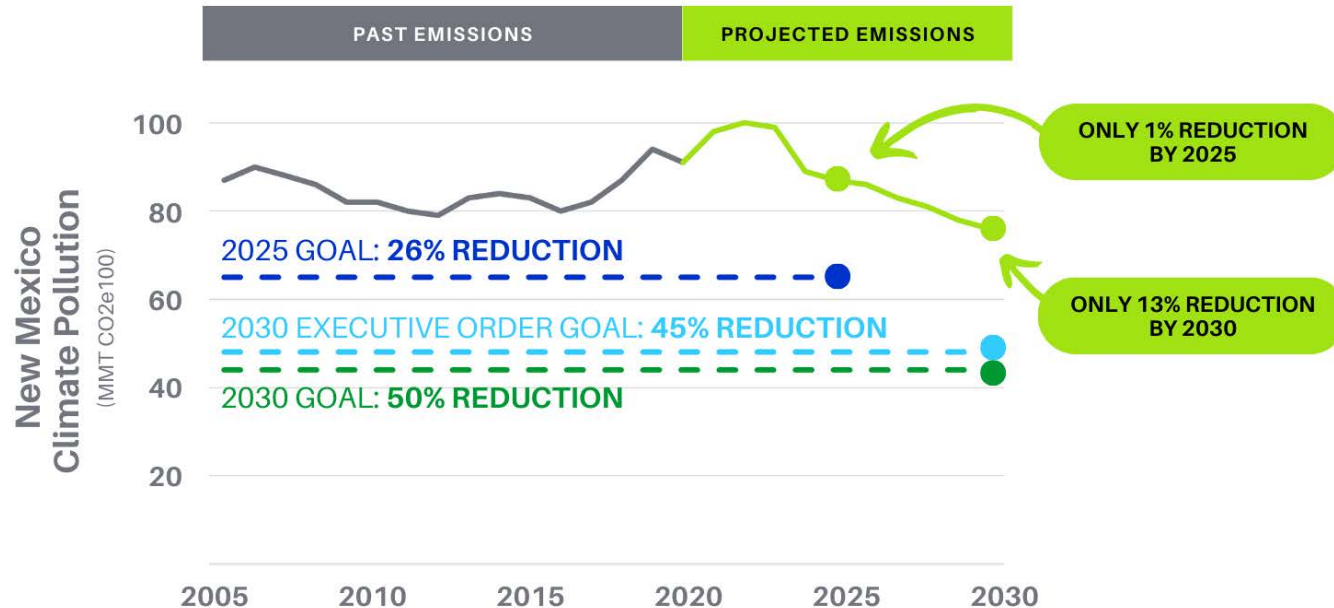
Putting Goals Into Action

Achieving New Mexico's climate ambitions

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Last time

- EDF presented at last year's WNR interim meeting in October
- Discussed EDF's Gap analysis and role of the power sector



Where are we now?

State Action:

- Advanced Clean Cars II & Advanced Clean Trucks Standards
- Clean Transportation Fuel Standard
- Tax Credits & Incentives for Clean Energy Tech
- NM Match Fund

Federal Action:

- Methane Rule
- Carbon pollution standards for power plants
- Emissions standards for light- and medium-duty vehicles

These are significant wins, but additional policy is needed to get the state on track.

Opportunity to act

New Mexicans want climate action

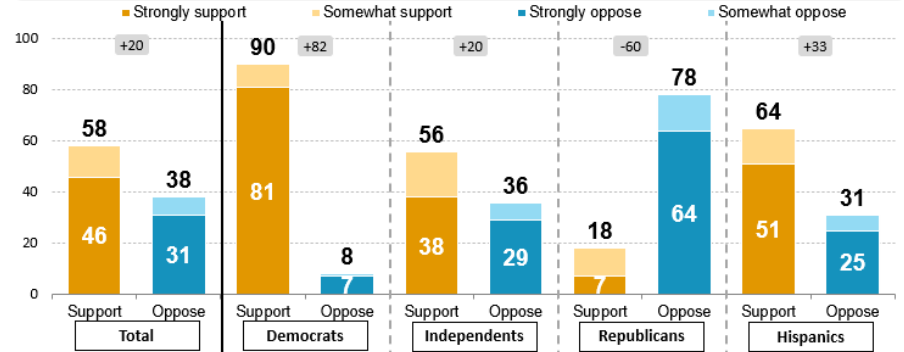
- EDF Action polling from 2022 shows 6 in 10 New Mexicans support “aggressive new state climate change policy.”

Federal dollars make climate action cheaper

- IRA invests \$400 billion, primarily via uncapped tax credits.
- Federal grants and loan programs available for decarbonization projects and technology demonstration.
- State policies that accelerate the transition to clean energy can directly lead to more federal investment in those states.

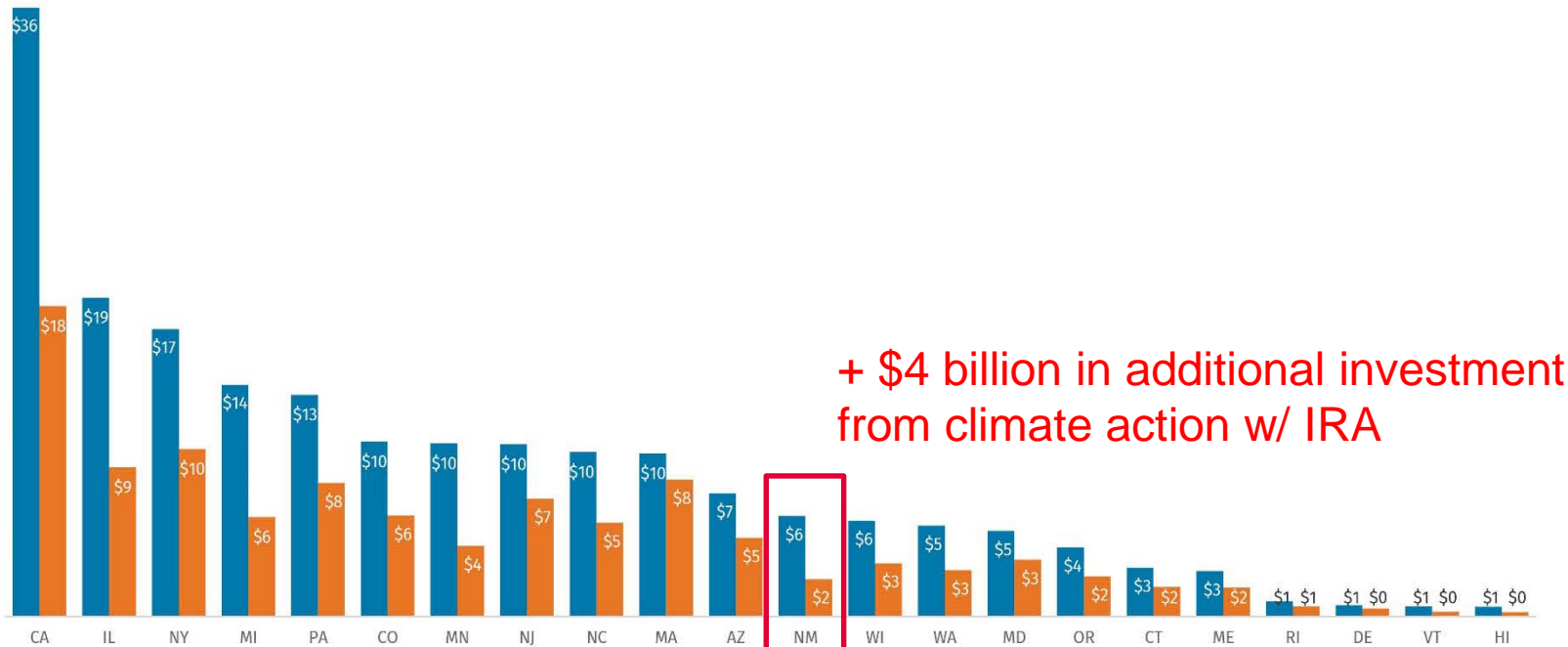
Strong support for aggressive new state climate change policy

As you may know, the legislature is considering a new climate change law that would significantly reduce the pollution that causes climate change. The law would make New Mexico a national leader in the production of clean, renewable energy and require the pollution that causes climate change be reduced by half by 2030 and be net-zero by 2050. Do you support or oppose this new climate change law?



Cumulative total federal tax expenditures for clean energy credits

Billions of USD (2022), 2023-2030 in **USCA Action** and **USCA Action – No IRA** scenarios



+ \$4 billion in additional investment from climate action w/ IRA

Note: Federal tax expenditures represent the value of tax credits that accrue to a state from clean electricity tax credits, clean vehicle tax credits, carbon capture and hydrogen tax credits, and building efficiency tax credits.

Average household energy expenditures in 2030

USD (2022)

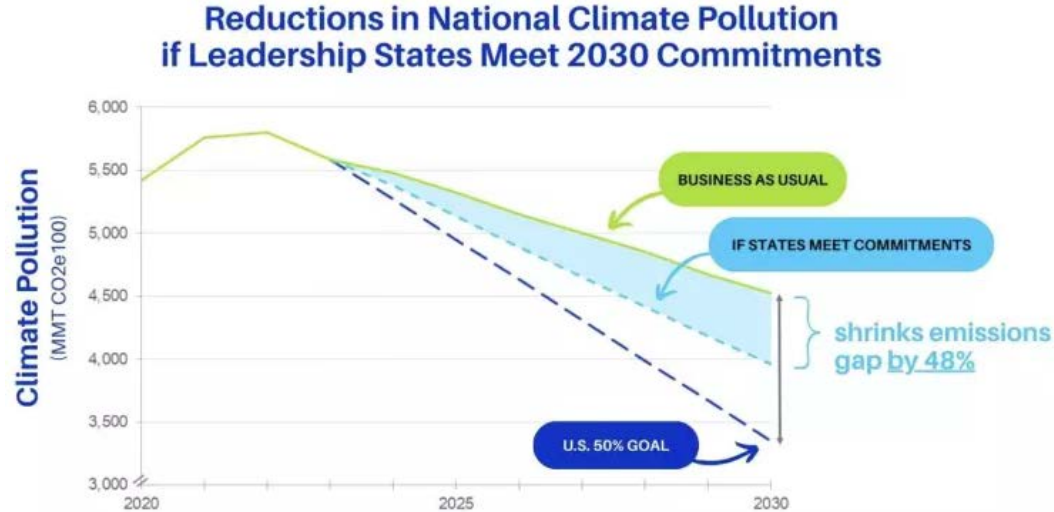


> \$600 in estimated annual savings with climate action

Note: Household energy expenditures represent average household spending on electricity bills, home energy bills (e.g., natural gas, propane, fuel oil, etc.), and vehicle fuel (gasoline and diesel). Number of households in a state assumes consistent state share of national population from 2022-2030.

Bottom line

- New Mexicans support an aggressive state climate change policy
- Climate actions like clean energy deployment are on sale - federal investment buys down the cost of cutting climate pollution.
- Federal investments are critical *but insufficient* for NM or the nation to achieve its climate goals and ensure a safer climate future.
- States will play a central role in the US achieving these goals, and policies that cut pollution will lead to greater state-level capture of federal funding AND will reduce total household energy costs.



Next Steps for NM Climate Leadership

Codify statutory GHG reduction targets in line with climate science and secure administrative action to date.

- 50% below 2005 levels by 2030, 75% by 2040, net-zero by 2050
- Interim target to keep emission reductions on a downward trajectory
- Helps prevent backsliding on climate progress

Provide authority to agencies and fund them to act.

- Add clarity to existing authorities and give directive to state agencies adopt policies to meet targets
- Fully fund state regulatory agencies and ensure they have sufficient resources to effectively implement policies
- Creates a “whole of government” approach to climate change

Equity and Environmental Justice are Key

Prioritize benefits in low-income and disadvantaged communities.

- Obligate regulators to pursue emissions reductions in these communities
- Direct state and federal investments to ensure a just and equitable energy transition

Create an equitable process for consultation and engagement.

- Require consultation with tribal communities
- Ensure community engagement with impacted communities

What's in it for New Mexicans?

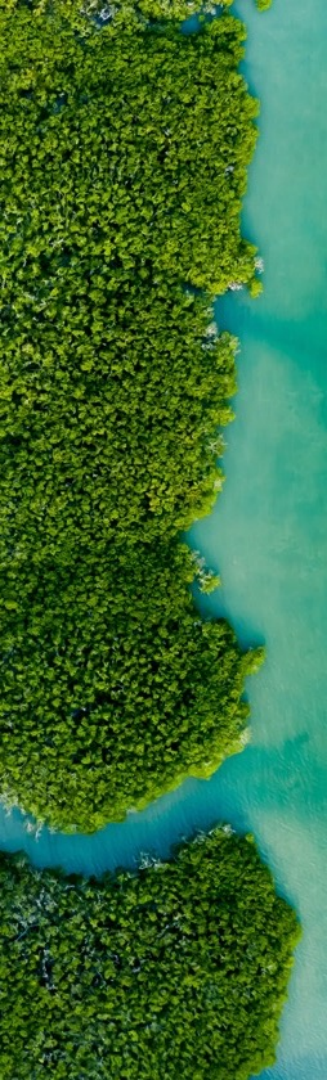
- Mitigates real present and future impacts of climate change.
- Provides relief to vulnerable and frontline communities by reducing pollution.
- Helps create new economic opportunities by spurring market demand for clean energy technologies.
- Improves the durability of climate progress in the face of uncertainty.

Thank you

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Appendix

EDF Emissions Analysis overview

- Evaluate New Mexico's progress in securing emission reductions consistent with its climate goals.
 - Emissions projected out to 2030
- New Mexico's climate goals:
 - EO 2019-003: **45%** reduction below 2005 levels by 2030.
 - USCA Membership consistent w/ US NDCs: **26-28%** by 2025, **50-52%** by 2030 (relative to 2005 baseline).

Data and methods

- Historic and projected state-level GHG emissions data from Rhodium Group's U.S. Climate Service.
- EDF replaced Rhodium Group's methane estimates for the oil and gas sector based on a separate EDF analysis using site-level measurements and peer reviewed methods.
- Covers federal and state-level laws and regulations on the books as of June 2023.
- Notably includes modeled reductions from IRA, IIJA, etc.

New Mexico's Emissions Gaps in 2025 & 2030

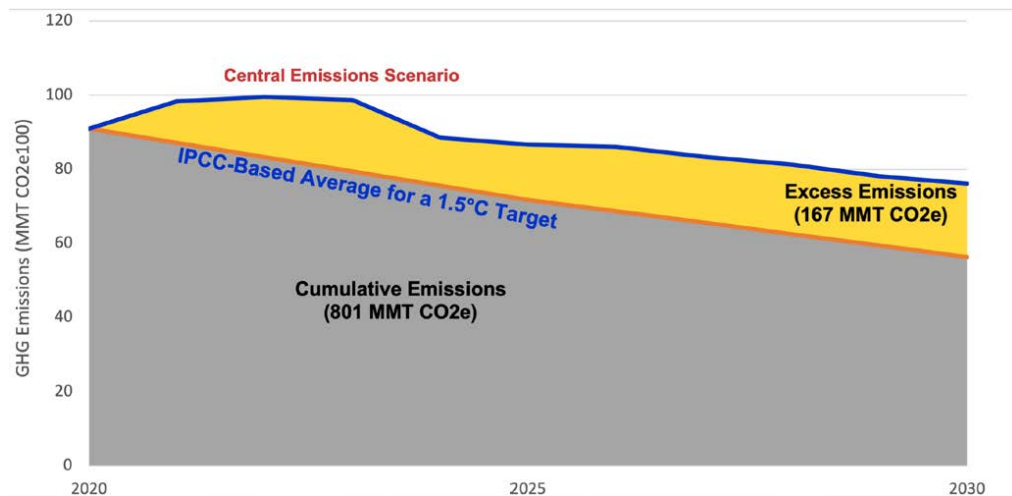
New Mexico Projected Gaps (MMT CO ₂ e)				
Target Year	Target	Target Emissions (MMT CO ₂ e)	Remaining Gap (High Emissions)	Remaining Gap (Low Emissions)
2025	26% below 2005 (U.S. Climate Alliance)	65	23	20
2030	45% below 2005 (EO 2019-003)	48	32	25
2030	50% below 2005 net emissions (U.S. NDC)	44	36	26

New Mexico Projected Reductions from 2005			
Target Year	High Emissions	Central Emissions	Low Emissions
2025	-1%	1%	3%
2030	9%	13%	16%

Evaluating cumulative emissions under 1.5°C pathways

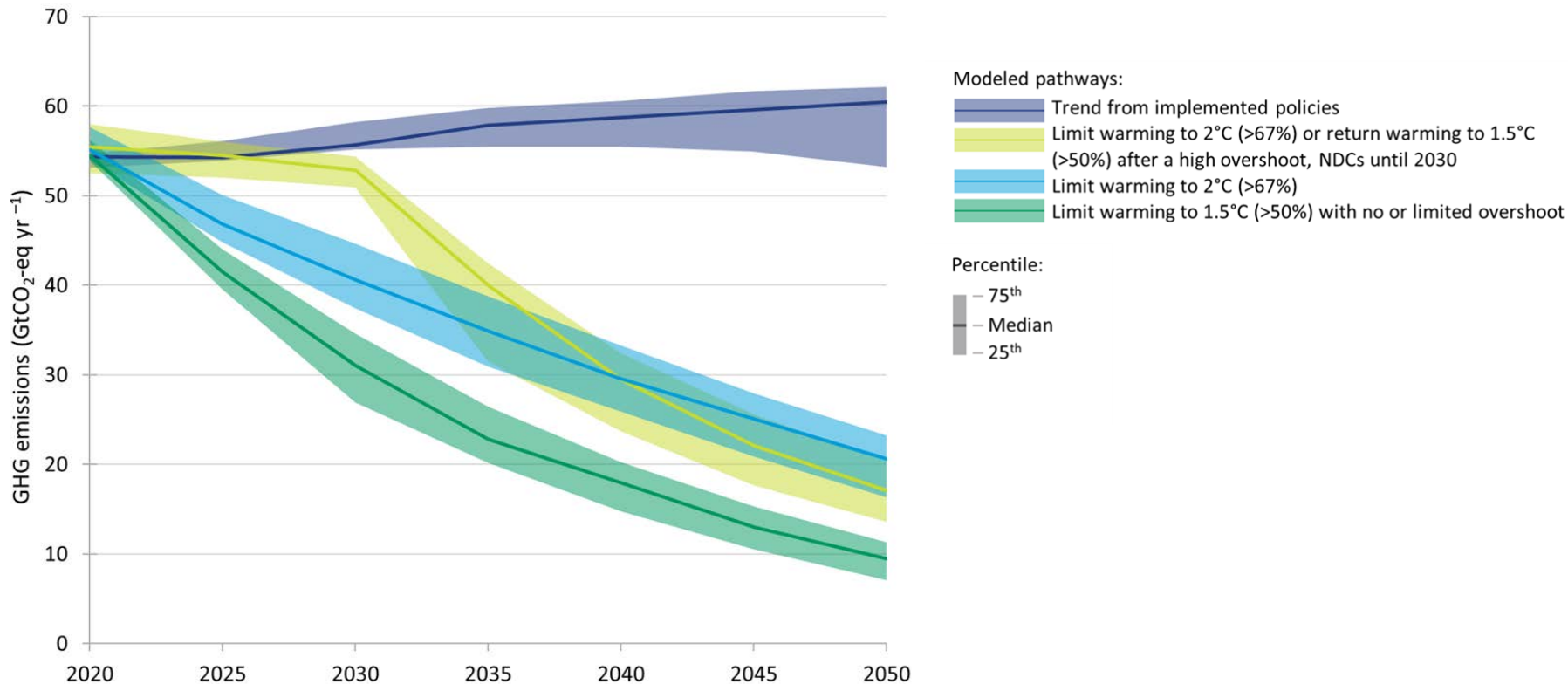
- Point-in time targets are calibrated to emissions pathways that limit global average temperature increase to 1.5°C with no or limited overshoot.
 - The average of these pathways includes near-term reductions of 24% by 2025 and 43% by 2030 (from 2020 levels), *with a linear decline between those benchmarks.*
- This trajectory demonstrates the **pace** and **scale** of near-term emissions cuts needed to **reduce cumulative emissions in line with science-based goals.**
- The cumulative buildup of long-lived climate pollutants (such as CO₂) controls the maximum extent of warming.
- EDF also measured New Mexico's progress toward its climate targets in **total emission reductions over time**, not just in a specific year.

Projected Cumulative Emissions Under Central Emissions Scenario in New Mexico, 2020-2030



	IPCC-Based Pathway for a 1.5°C Target	Central Emissions Scenario
Cumulative GHG Emissions (MMT CO ₂ e, 2020-2030)	801	968
Average year-over-year emissions cuts (2020-2030)	4	1
Average year-over-year percent reduction (2020-2030)	6%	1%

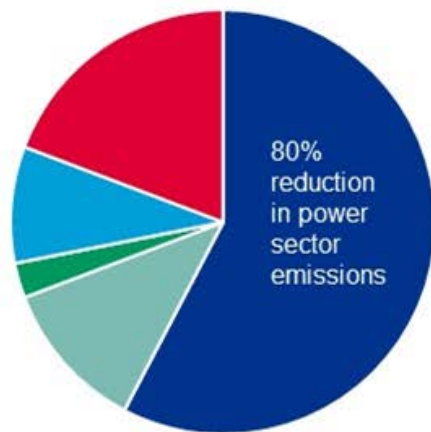
Global GHG Emissions of Modeled Pathways



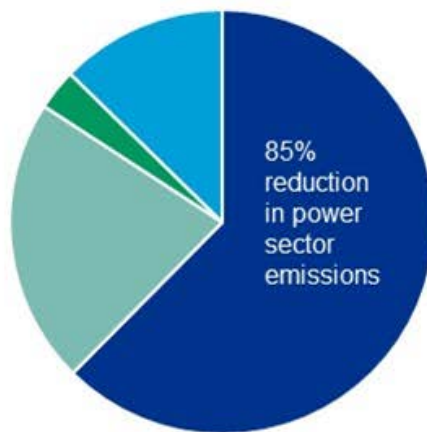
Where do reductions need to happen?

Reductions in emissions from 2005 to 2030, by sector, in order to achieve a 50% reduction in economy-wide emissions

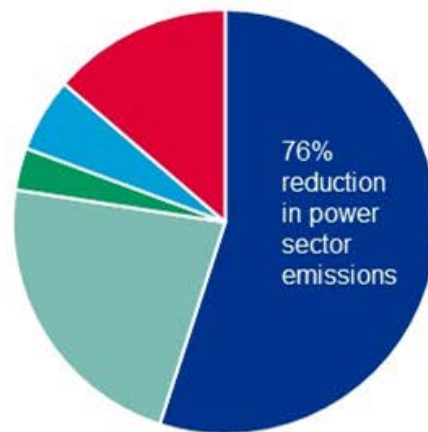
EDF-NEMS Modeling & Sectoral Analysis



NRDC & Energy Innovation Modeling



UMD Central for Global Sustainability Modeling



■ Electricity ■ Transportation ■ Buildings ■ Industry ■ Other