



Presentation to Legislative Finance Committee

Committee

July 18, 2023

SECRETARY SARAH COTTRELL PROPST
Energy, Minerals and Natural Resources Department

SAN JUAN MINE RECLAMATION

Reclamation supervised by
EMNRD's Mining & Minerals
Division – Coal Mine Reclamation
Program (CMRP)

- The San Juan Mine's Active Permit #19-01 was approved March 16, 2020. Its last operating day as an active mine was September 29, 2022.
- Current active reclamation work is backfilling Juniper Pit to comply with the permitted reclamation plan. Anticipated completion Spring 2026.
- CMRP inspects the mine monthly, as per regulatory requirements.
- CMRP obtains groundwater samples from the mine area on a quarterly basis.
- Westmoreland (the operator/owner) is in “good standing” – they are compliant with all the requirements of their permit.



2023 HB 142 (Allison, et al.): SAN JUAN GENERATING STATION & MINE REMEDICATION AND RESTORATION STUDY ACT

STUDY SCOPE (EMNRD'S PORTION)

- Contract with an independent third party to perform a comprehensive study of the mine to determine if there has been any environmental contamination of lands and waters on or adjacent to the generating facility and mine, including the presence of toxic metal contaminants; and
- Develop an independent reclamation and restoration plan that addresses protecting the environment from contamination for human and ecosystem health and ground and surface water quality and prevents the migration of toxic metal contaminants and off-site pollution.

TIMELINE

- **July 1, 2023 - EMNRD received the appropriation for the study and is preparing an RFP to hire an independent third party.**
- MMD will provide annual updates to legislature on progress of remediation and restoration efforts pursuant to HB 142
- July 1, 2025 – MMD will provide a copy of study to the legislature and present the study findings to interim committees
- The study, once complete, will be available on a public website and include an executive summary detailing the inspection results and data analysis

STATE RENEWABLE ENERGY POLICIES & LAWS

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 2022, over 3,785 credit applications were approved, resulting in **34.7 MW of newly installed distributed solar capacity...**
- Producing approximately **11,300 MW-hours** in statewide annual energy savings

IRBs FOR ELECTRIC TRANSMISSION (2020)

- 2020 legislation allows for local governments and rural school districts to receive direct benefits from renewable energy transmission industry projects at the time of their construction.
- IRBs (industrial revenue bonds) can help to shore up school district tax bases near closing power plants.

STATE RENEWABLE ENERGY POLICIES & LAWS ...AND RESULTS SO FAR

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.

SUSTAINABLE BUILDING TAX CREDIT UPDATE (2022)

- Incentivizes cutting-edge sustainable building practices and energy-efficient products.
- Two types of tax credits available:
 - Credits for energy conserving products (heat pumps, EnergyStar windows & doors, EV & solar readiness in existing residences;
 - Tax credits for commercial renovation and new construction projects that meet high building efficiency standards.

COMMUNITY ENERGY EFFICIENCY BLOCK GRANTS (2022)

- The CEED program provides **sustainable building retrofits to low-income households in partnership with community organizations and local & tribal governments.**
- **The first applications will be accepted this fall.**

RESULTS SO FAR...

- In 2021 electricity-sector CO₂ emissions had already **declined 47.2% from 2005 levels.**
- In 2022, renewable resources supplied about **42%** of New Mexico's in-state electricity generation. The total electricity generation from renewables in NM is more than **five times greater in 2022 than in 2015.**
- 155 miles of new high-voltage transmission were completed in 2021.

Grid Modernization Grant-Funded Projects

NORTHERN NEW MEXICO COLLEGE – EL RITO MICROGRID

- In FY 2023, EMNRD awarded funding to the Northern New Mexico College (NNMC) for engineering and construction-ready design documents for a community resilience microgrid project in the village of El Rito, NM, based on and around the branch campus of NNMC located there.
- This project is part of an overall effort to restore the 113-year-old campus as a model of energy efficiency that relies upon renewable energy instead of fossil fuels and has a minimal carbon footprint.
- This restoration will involve applications of new and emerging technologies that can also be student learning experiences.

CITY OF ALBUQUERQUE – ‘BRAIN’ PROJECT

- In FY 2022, EMNRD awarded funding to the City of Albuquerque for a Balanced Resource Acquisition and Information Network (BRAIN) data center and computer platform.
- +
- The BRAIN is an automated energy, water, renewables, and asset management data interface. Its primary benefits to the grid currently are capturing energy usage data and enabling real-time demand response.
- *“The City can now manage assets with speed and agility to perform interactively with the modern grid with a 100% renewable energy footprint. This will result in optimal use of City resources, reduced cost, reduced waste, cleaner air, and better stewardship, transparency, energy education, and economic development opportunities for our community.”* – Saif Ismael, ABQ Energy & Sustainability Program Manager

APPLY TO EMNRD FOR FUNDING! The program funds grid modernization projects that make improvements to electric distribution or transmission infrastructure to accommodate or facilitate the integration of renewable electric generation resources with the electric distribution grid or otherwise enhance electric distribution or transmission grid reliability, grid security, demand response capability, customer service or energy efficiency or conservation. **Next application due June 2024.**

BIPARTISAN INFRASTRUCTURE LAW & INFLATION REDUCTION ACT UPCOMING OPPORTUNITIES

FOR LOCAL & TRIBAL GOVERNMENTS

- **RURAL ENERGY FOR AMERICA PROGRAM (REAP)**
 - Quarterly applications through USDA – next closing is September 30, 2023
 - Grants of up to \$500,000 for energy efficiency projects and \$1 million for renewable energy systems. The federal share is 50% for all energy efficiency projects, all zero-emission renewable energy projects, and all projects in designated energy communities and projects submitted by eligible tribal entities.
- **PACE (POWERING AFFORDABLE CLEAN ENERGY)**
 - USDA – applications opened 7/10/23 for letters of interest, close 9/29/23. Earlier LOIs are better.
 - Loans for renewable energy projects of up to \$100 million. Tribes are eligible entities and get 60% of their loan forgiven automatically.

THROUGH STATE GOVERNMENT (EMNRD)

- **GRID RESILIENCY GRANTS FROM DOE – “POWER”**
 - EMNRD was awarded formula funding from DOE to create the POWER grid resiliency program which provides funding for projects that increase the reliability and resiliency of the electric grid.
 - Applications will open in early fall 2023.
- **HOME ENERGY EFFICIENCY RETROFIT REBATES**
 - The federal government will be providing funds to New Mexico which will be used for a rebate program for appliances, heat pumps, and energy efficiency improvements.
 - The program is being developed now and we are waiting for the disbursement of funds.





**THANK YOU –
QUESTIONS?**