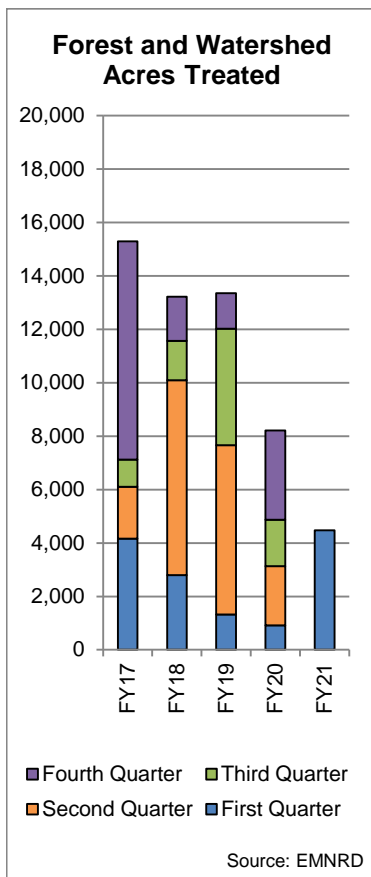


## ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	Yes

## Energy, Minerals and Natural Resources Department

The Energy, Minerals and Natural Resources Department (EMNRD) pursued initiatives in FY20 that will continue in FY21 to improve performance in key areas, such as a modernization and marketing plan to increase State Parks visitation and a reorganization of the Oil and Gas Conservation Division to address the agency's need to pay competitive salaries. EMNRD's operations and revenues have been significantly affected, however, by the COVID-19 pandemic. State parks were closed during part of the busiest season of the year and visitation is still limited to New Mexico residents. Treatment of the state's forests and watersheds was far below average, and the revenue that funds orphan well-plugging is expected to decline by about 9 percent in FY21.



### Healthy Forests

The Covid-19 pandemic continues to have a significant impact on the operations and performance of the Healthy Forests Program, also known as the State Forestry Division (SFD). SFD is working with contractors to increase opportunities for online trainings and in-person trainings that comply with public health orders. The National Wildfire Coordinating Group extended certifications from 2019 through December 2020.

The number of forest and watershed acres treated was also affected by Covid-19 in FY20, as all prescribed burns that had been scheduled for spring were canceled to avoid stressing the respiratory systems of individuals infected with Covid-19 or at elevated risk due to preexisting respiratory illnesses. Some forest thinning operations were also halted until contractors received clarification that natural resource extraction is deemed an essential business and work could resume within the safety guidelines. First quarter data for FY21, however, indicates a return to the SFD's usual pace.

Budget: \$16,032.8	FTE: 77	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Nonfederal wildland firefighters provided training		1,454	1,229	1,500	20			R
Acres treated in New Mexico's forest and watersheds		13,358	8,213	15,500	4,473			G
Program Rating		Y	Y					Y

### State Parks

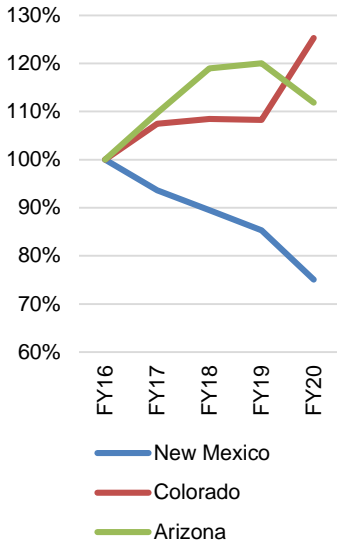
State park visitation declined for the fifth year in a row in FY20. The Covid-19 pandemic suppressed visitation in the third and fourth quarters, when state parks were first closed to the public and then reopened at limited capacity for day-use only. Self-generated revenue in FY20 was approximately \$1.2 million less than it was in FY19, largely due to the loss of camping revenue. Camping for New Mexico residents only was authorized as of October 1, 2020, and the agency expects the current mild weather to drive higher visitation in the second quarter compared with previous years.

In FY20, the State Parks program began implementing a modernization plan and promotional campaign called "Next Generation of Adventure" to reduce cash management, improve visitor experience through facilities upgrades and new amenities, and increase park visitation. The agency used park closures in FY20 as an opportunity to complete some construction and maintenance work. Along with installing self-pay kiosks and WiFi that would allow for credit card payments, EMNRD is also considering

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### Regional State Parks Visitation: Percent Change from FY2016



Source: EMNRD, Colorado Parks & Wildlife, Arizona State Parks & Trails, Arizona Office of Tourism

changes to the State Parks fee structure based on the results of a fee study to improve revenue collection.

Budget: \$28,160.6	FTE: 242.4	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of visitors to state parks, in millions*		4.5	3.9	N/A	2			Y
Self-generated revenue per visitor, in dollars*		1.02	1.04	N/A	\$0.38			
Program Rating		Y	Y					Y

\*Measure is classified as explanatory and does not have a target.

### Mine Reclamation

The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the state to complete the reclamation if the company owning the mine fails to do so. In the first quarter of FY21, 95 of the 96 mines managed by the program were in compliance with this requirement. The operator of the out-of-compliance mine has had its license revoked and the agency is pursuing forfeiture of the financial assurance.

Budget: \$8,229.1	FTE: 32	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation		100%	100%	97.5%	99%			G
Program Rating		G	G					G

### Oil and Gas Conservation

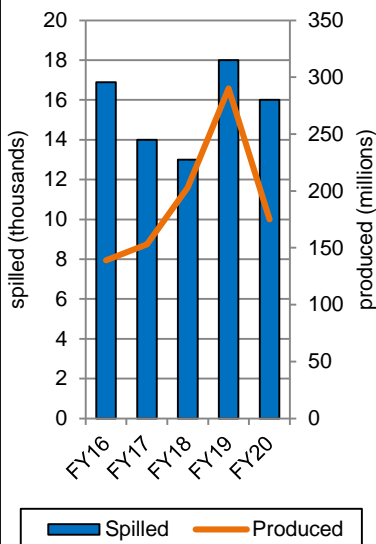
OCD is engaged in a reorganization effort that will fix inconsistencies across district offices and streamline processes to improve compliance and enforcement. Performance data for this program will help determine the effectiveness of this reorganization.

The division met its goal of approving 95 percent of drilling permits within 10 business days, allowing operators to conduct business without unnecessary delays. Due mainly to timing conflicts with OCD's well-plugging contractor, the target for wells plugged was not met in FY20. OCD has a new procurement agreement for FY21 which should allow for additional approved contractors and thus more wells plugged.

OCD proposed new regulations related to the state's methane reduction strategy to the Oil Conservation Commission. The goal of the proposed rule is to prevent the waste of methane and other natural gas in the oil industry. The Commission will hold a hearing on the proposed rule in January 2021.

The Environmental Bureau of OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. The southern void has been stabilized, but additional roof collapse was discovered in the northern portion of the cavern and additional filling material and work is needed to prevent potential groundwater contamination.

### Barrels of Oil Spilled and Produced



Source: OCD Data

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	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
<b>Budget: \$13,148.7 FTE: 75</b>							
Inspections of oil and gas wells and associated facilities showing compliance with permits and regulations	31,043	36,852	31,000	12,556			<b>G</b>
Application to drill permits approved within 10 business days	92.9%	94.6%	95%	95%			<b>G</b>
Abandoned oil and gas wells properly plugged	31	36	50	6			<b>R</b>
Violations issued*	1,620	2,176	N/A	618			
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>					<b>G</b>

ECMD operates the Energy Savings Performance Contracting program, which implements energy efficient facility improvements without the need for upfront capital funding from state agencies. ECMD reviews and certifies investment grade audits that guarantee the energy savings will provide for the financing of construction costs.

ECMD also monitors project construction to ensure certified measures are implemented and evaluates monitoring and verification reports to assess the performance of the annual energy savings. LFC recommends EMNRD add performance measures to capture the energy and financial savings created by this program and demonstrate compliance with best practices.

### Renewable Energy and Energy Efficiency

The purpose of the Renewable Energy and Energy Efficiency program, also called the Energy Conservation and Management Division (ECMD), is to develop and implement effective clean energy programs, renewable energy, energy efficiency and conservation, alternative transportation and fuels, and safe transportation of radioactive waste. ECMD also provides technical assistance and information to the renewable energy industry for ongoing, potential, and proposed projects.

ECMD administers six clean energy tax credit programs for renewable energy production, solar market development, sustainable buildings, agriculture biomass, biodiesel facilities, and ground-source heat pumps. More than 450 tax credit applications were received and reviewed in the first quarter of FY21.

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
<b>Budget: \$3,460.4 FTE: 21</b>							
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%			<b>G</b>
<b>Program Rating</b>	<b>G</b>	<b>G</b>					<b>G</b>