

The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding as it increased activity across several divisions. In addition to the nonrecurring funds appropriated in the special and regular sessions in 2021 and 2022, the federal Infrastructure Investment and Jobs Act delivered another \$25 million for orphaned well cleanup, \$960 thousand for the energy efficiency revolving loan program, \$2.4 million for abandoned mine remediation, and \$5 million for wildfire prevention, readiness, and firefighting equipment. The agency continued to improve its performance across several divisions, notably State Forestry and State Parks. EMNRD met or exceeded several of its performance targets for providing training a record number of firefighters, and improving both revenue and visitation at State Parks.

### State Forestry

**Wildland Firefighter Training.** The trend of decreasing training numbers finally turned around for the State Forestry Division (SFD). Trainings are held throughout the state primarily from October to April each year at a variety of volunteer, county, and municipal fire departments, as well as state and local agency locations. SFD’s efforts to work with federal, local, and tribal cooperators to identify, recruit, and engage non-federal firefighters were successful. The establishment new service agreements for training contractors allowed SFD to provide more opportunities for in-person and online training. Participation in the scheduled classes throughout the state met or exceeded expected attendance levels.

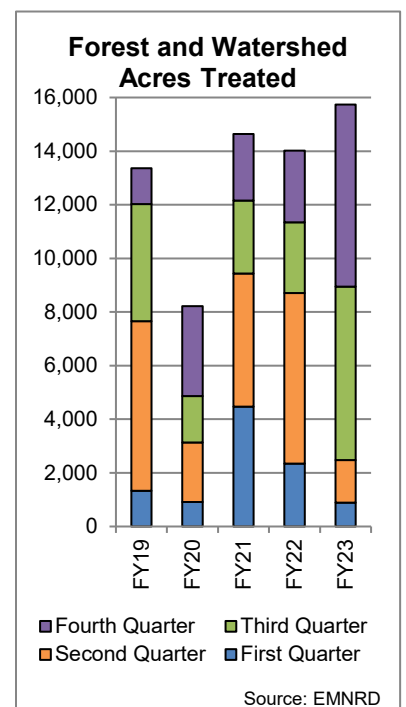
**Forest and Watershed Treatment.** SFD achieved the targeted forest and watershed treatment acres. The new Forest Management Treatments Statewide Price Agreement that was awarded on April 18, 2023, and relatively low wildfire risk in May and June allowed many projects to continue without impediment. SFD remains concerned the consistency of work provided to thinning contractors is not sustainable at current funding levels and is working to identify barriers that cause work stoppages and develop strategies to address them. Recurring funding from both the irrigation works construction fund and the land of enchantment legacy fund will also increase the predictability of these funding streams, hopefully signaling to contractors that New Mexico remains committed to treating forests and watersheds statewide.

Budget: \$17,388.3 FTE: 83

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,066	883	1,500	1,554	G
Number of acres treated in New Mexico's forest and watersheds.	14,637	14,020	14,500	15,735	G
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>			<b>G</b>

### ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes



**Tax Credit Programs**  
(Calendar Year 2022)

Tax Credit Name	Credit Cap (in thousands)	CY22 Expenditure (in thousands)
Solar Market Development Tax Credit	\$12,000.0	\$5,420.0
Sustainable Building Tax Credit	\$5,000.0	\$612.0
Renewable Energy Production Tax Credit	Varies *	\$19,166.0
Agricultural Biomass Income Tax Credit	\$5,000.0	\$0

\* 1 cent per kilowatt-hour (kWh) up to 400,000 megawatt-hours (MWh) annually per taxpayer for wind- or biomass-derived electricity. The aggregate cap for all wind projects is set at 2 million MWh.

\* \$.015 to \$.04 per kWh up to 200,000 MWh annually per taxpayer for solar-light-derived or solar-heat-derived electricity, depending on the consecutive taxable year for which the credit is being claimed. The aggregate cap for all solar projects is set at 500,000 MWh.

Source: EMNRD and TRD

**Scheduled State Park Improvements FY23**  
(in thousands)

Project Location	Cost
Bluewater Lakes State Park	\$780.4
Bottomless Lakes State Park	\$1,613.8
Clayton Lake State Park	\$58.4
Living Desert Zoo and Gardens	\$141.5
Hyde Memorial State Park	\$435.90
Navajo Lake State Park	\$173.9
Oliver Lee Memorial State Park	\$121.4
Pecos Canyon State Park	\$620.0
Pecos Canyon State Park	\$65.8
Rio Grande Nature Center	\$164.4
Storrie Lake State Park	\$153.4
State Parks Office Remodel	\$168.5
<b>Total</b>	<b>\$4,497.4</b>

**Energy, Conservation and Management Division**

In the third quarter of FY23, the Energy Conservation and Management Division (ECMD) received 1,645 tax credit applications deemed complete and approved, with 1,633 approved within 30 days of receipt. ECMD is working to make improvements to its online application portal. The division is also working to create an inventory of alternative energy projects currently proposed, in process and completed in New Mexico.

Although not reflected in the division’s performance measures, in late 2022, ECMD applied for grid modernization grant funding through the U.S. Department of Energy (DOE). This new program will bring over \$35 million to New Mexico over five years, starting in 2023, to help reinforce vulnerable electric systems and modernize the grid as utilities transition to renewable energy resources. ECMD will be awarded \$14 million in May 2023 to cover the first two years of the 5-year program. In 2023, the New Mexico Legislature allocated the match for year one in the state’s FY 24 budget.

**Budget:** \$3,810.1 **FTE:** 21

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of completed applications for clean energy tax credits reviewed within thirty days of receipt	88%	92%	90%	99%	
<b>Program Rating</b>					

**State Parks**

State Parks Division (SPD) visitation kept pace with previous years during FY23, with nearly 4.8 million visitors spending time in state parks. Winter conditions and cold temperatures established safe and predictable ice fishing during winter months. A temperate spring with outstanding runoff from snowpack, improved water levels in rivers and streams across the system. these favorable conditions also resulted in no fire restrictions which kept visitation high. As a result, SPD exceeded attendance and revenue targets again for FY23.

SPD continued to plan for and invest the \$20 million appropriated by the Legislature across the system focused on repairing, renovating, and replacing aging infrastructure. By the close of the third quarter, SPD had spent or encumbered \$10.3 million of these funds after eleven months of availability and remains on track to expend these funds within the federal allocation period. Additionally, SPD continued to reduce its vacancy rate and is working to recruit both permanent and temporary staff to ensure state parks remain a significant draw supporting New Mexico’s outdoor recreation economy.

**Budget:** \$24,173.5 **FTE:** 234.66

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of visitors to state parks	4.4 million	5.2 million	4.75 million	4.78 million	
Amount of self-generated revenue per visitor, in dollars	\$0.65	\$1.01	\$1.0	\$1.21	
<b>Program Rating</b>					

**Mining and Minerals**

**Coal and Mining Act Compliance.** The Coal and Mining Act Programs both require financial assurance for permitted mines. For FY23, the Coal Program had 6 coal mines that received a total of 48 actual inspections equaling 100 percent of the number of inspections targeted. Additionally, all six coal mines were 100 percent covered by financial assurance. The Mining Act Reclamation Program manages 60 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Combined with the coal program, this translates to 99 percent compliance.

**Budget:** \$8,873.6 **FTE:** 28

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of permitted mines with approved reclamations plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	G
<b>Program Rating</b>	<b>G</b>	<b>G</b>			<b>G</b>

**Oil Conservation**

**Inspections and Compliance** The Oil Conservation Division (OCD) issued 485 violations during routine inspections in the 4th quarter of FY23 across the State’s producing basins. Four factors impacted insection numbers, which declined for the third consecutive year. First, inspector vacancies, which are being addressed by aggressive hiring. Second, vehicle availability, OCD faced supply chain issues upgrading. Third, OCD changed its compliance inspection procedures over the performance period to make them more uniform, in order to increase effectiveness; rolling out these new procedures impacted overall numbers when paired with other factors. Finally, increased activity in the oil & gas industry in FY23 and OCD’s plugging program all increased demands on inspector time.

**Orphaned Well Program.** Twenty-nine wells were plugged during the 4<sup>th</sup> quarter of FY23 bringing the total for the fiscal year to 76. Funding for plugging 13 of the wells came from the Reclamation Fund while the remaining 63 wells were plugged using federal funds. Using the \$25 million in federal funds received in FY23, along with commitments by the federal government to continue funding in the future, OCD was able to secure long-term access to multiple plugging rigs and crews, which will increase both the number and rate of well-plugging projects moving forward. With 2 thousand orphaned wells identified in New Mexico, the agency’s ability to complete these plugging projects at an increasing pace will be critical to protecting public health and safety.

**Budget:** \$12,443.2 **FTE:** 78

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of inspections of oil and gas wells and associated facilities.	35,757	35,757	31,000	29,522	Y
Number of abandoned wells properly plugged.	49	49	50	76	G
Number of violations issued with associated administrative penalties*	3,174	3,213	-	2,552	
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>			<b>Y</b>

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

