

LFC Requester:	Austin Davidson
-----------------------	------------------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/13/25 *Check all that apply:*
Bill Number: HB 394 Original Correction
 Amendment Substitute

Sponsor: Representative Tara L. Lujan & Representative Cynthia Borrego **Agency Name and Code Number:** 430 – Public Regulation Commission
Short Title: Clean Energy & Natural Resources Board **Person Writing:** Mclee Kerolle
Title: Resources Board **Phone:** (505)490-2696 **Email:** jerri.mares@prc.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$200.0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

- Synopsis: House Bill 394 (HB 394) establishes the Clean Energy and Natural Resources Advisory Board under the Energy, Minerals, and Natural Resources Department (EMNRD). The board consists of 17 industry experts appointed by the Secretary of EMNRD with the Governor's advice and consent. The board is tasked with providing expert guidance on clean energy, natural resource management, and policy implementation. The Secretary of EMNRD will designate one member of the board to serve as Chair, and the board will elect a Vice Chair by a majority vote. The bill also includes a one-time appropriation of \$100,000 from the General Fund for FY26 to support the establishment and operation of the advisory board.

FISCAL IMPLICATIONS

None to PRC

SIGNIFICANT ISSUES

- **Industry Representation:** The board is designed to include experts from renewable energy, oil and gas, investment, mining, forestry, conservation, and academia. However, excluding Tribal perspectives could lead to gaps in policy development related to sovereign energy projects, resource conservation, and energy equity.
- **Regulatory Coordination:** As clean energy and environmental policy span multiple state agencies, HB 394 is silent on whether coordination will be required between EMNRD, the PRC, and other regulatory bodies.
- The advisory board will convene at least twice per year, providing expert guidance to state officials and agencies on clean energy initiatives and natural resource management. However, given the complexity of clean energy policy and natural resource conservation, additional meetings beyond the twice-per-year requirement may be necessary for the board to effectively accomplish their mandate.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

- The advisory board could serve as a valuable resource for developing clean energy policy, but its effectiveness would depend on the extent to which its recommendations are adopted. The bill does not outline a formal mechanism for translating advisory input into concrete policy actions (e.g., inclusion in EMNRD planning or NMPRC rulemakings).
- The board is not required to issue public reports or publish findings, which could enhance transparency and public input in decision-making. Without a formal reporting process, stakeholders may not have visibility into how the board's work influences policy.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None