

1 A MEMORIAL

2 REQUESTING THE APPROPRIATE INTERIM COMMITTEE DEALING WITH  
3 WATER AND NATURAL RESOURCES TO STUDY THE IMPACTS OF  
4 ELECTRICAL RATES ON ENERGY PRODUCTION AND REPORT ITS FINDINGS  
5 AND RECOMMENDATIONS.

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7 WHEREAS, oil and gas production is a leading generator  
8 of tax revenue supporting the general fund and also is the  
9 primary financial support to the state permanent funds; and

10 WHEREAS, oil and gas production is an economic anchor  
11 for rural areas of New Mexico, supporting the local tax base  
12 and thousands of rural jobs; and

13 WHEREAS, the New Mexico energy policy and implementation  
14 plan, finalized in 2015, recommends an all-of-the-above  
15 energy approach for New Mexico as a means to build from the  
16 state's energy assets and to grow the state's economy; and

17 WHEREAS, in December 2016, the energy, minerals and  
18 natural resources department received a grant from the United  
19 States department of energy to develop a statewide energy  
20 road map over the next two years; and

21 WHEREAS, the development of a statewide energy road map  
22 will assist the state in determining how to develop, by the  
23 most effective means possible, a more viable energy future  
24 for New Mexico; and

25 WHEREAS, the energy road map will provide policy insight

1 and guidance to New Mexico businesses and industries and  
2 future goals for economic development related to the energy  
3 sector in the state; and

4 WHEREAS, the oil and gas production industry requires  
5 large amounts of electric energy to support operations,  
6 including production of carbon dioxide to promote tertiary  
7 production of oil and gas from aging fields; and

8 WHEREAS, the cost of electric energy to support oil and  
9 gas production has a substantial bearing on the level of  
10 production of oil and gas; and

11 WHEREAS, some of these businesses receive pass-through  
12 wholesale electric power from generation and transmission  
13 cooperatives with an industry load equal to or greater than  
14 thirty-five megawatts; and

15 WHEREAS, to maintain the competitiveness of oil and gas  
16 production in New Mexico and other economic development  
17 opportunities in the state and as part of the development of  
18 an energy road map for New Mexico, it is important to  
19 evaluate the impact of electric power rates on the energy  
20 sector and economic development opportunities in the state;

21 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
22 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the interim  
23 committee dealing with water and natural resources be  
24 requested to receive testimony regarding the impact of  
25 electric power rates on the energy sector and economic

1 development opportunities in the state; and

2 BE IT FURTHER RESOLVED that the committee be requested  
3 to report on the testimony received and any recommendations  
4 of the committee based on that testimony prior to December 1,  
5 2017; and

6 BE IT FURTHER RESOLVED that copies of this memorial be  
7 transmitted to the public regulation commission, the secretary  
8 of economic development, the secretary of energy, minerals and  
9 natural resources, the New Mexico rural electric cooperative  
10 association, the New Mexico oil and gas association and  
11 members of the New Mexico legislative council.

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