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HOUSE MEMORIAL 72

**53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

INTRODUCED BY

Patricia A. Lundstrom and Eliseo Lee Alcon

A MEMORIAL

RECOGNIZING AN OPPORTUNITY FOR JOB GROWTH PRESENTED BY THE  
ESCALANTE GENERATING STATION IN PREWITT, NEW MEXICO; REQUESTING  
THE ECONOMIC DEVELOPMENT DEPARTMENT, THE WORKFORCE SOLUTIONS  
DEPARTMENT AND THE ENERGY, MINERALS AND NATURAL RESOURCES  
DEPARTMENT TO STUDY THIS POTENTIAL AND PROVIDE A REPORT.

WHEREAS, the northwest New Mexico region has a long  
history with energy production, including natural gas, oil,  
uranium and coal; and

WHEREAS, the energy sector, which includes coal and oil  
and gas production, has been the region's top economic base  
industry, responsible for generating upwards of forty percent  
of taxable gross receipts for local governments and for  
providing thousands of jobs and approximately twelve percent of  
the wages in the region; and

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1           WHEREAS, due to changes in global markets, less expensive  
2 fuel stock and other factors, this region has been adversely  
3 affected by industry dislocations, downsizing in production and  
4 job loss; and

5           WHEREAS, the El Segundo and Lee Ranch mines that supply  
6 fuel to Tri-State generation and transmission association's  
7 Escalante generating station laid off nearly one-third of their  
8 workers at the beginning of 2017; and

9           WHEREAS, the New Mexico energy policy and implementation  
10 plan, finalized in 2015, recommends an all-of-the-above energy  
11 approach for New Mexico, as a means to build from our energy  
12 assets and to grow our economy; and

13           WHEREAS, the federal economic development administration  
14 has made significant investments through its national  
15 partnerships for opportunity and workforce and economic  
16 revitalization initiative in assisting the coal-impacted  
17 communities of the northwest New Mexico region to develop a  
18 plan to diversify their economy; and

19           WHEREAS, the Escalante generating station employs more  
20 than one hundred people, provides one million four hundred  
21 thousand dollars (\$1,400,000) in property taxes per year and is  
22 an economic anchor for both Cibola and McKinley counties; and

23           WHEREAS, due to its proximity to the Escalante generating  
24 station and the availability of excess steam for industrial  
25 reuse, an international cardboard recycling company was

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1 recruited and attracted to co-locate on adjacent property;  
2 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
3 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the economic  
4 development department, the workforce solutions department and  
5 the energy, minerals and natural resources department be  
6 requested to conduct a study and develop a report analyzing:

7 A. the potential for co-generation and co-location  
8 of base industries, to build a cluster of economic activity  
9 that benefits from the Escalante generating station, supporting  
10 infrastructure and workforce;

11 B. technologies, research facilities and businesses  
12 that can be supported by and benefit from this proximity;

13 C. best practices and other similar cluster  
14 developments in other states;

15 D. workforce strategies for potential  
16 implementation, including rapid response programs; and

17 E. the potential for the state and local  
18 governments to enter into public-private partnerships to  
19 incentivize these developments; and

20 BE IT FURTHER RESOLVED that the economic development  
21 department, the workforce solutions department and the energy,  
22 minerals and natural resources department, along with New  
23 Mexico energy associations, the national rural electric  
24 cooperative association, the Continental Divide electric  
25 cooperative, local and regional economic development

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1 organizations and universities in the region, be consulted and  
2 engaged in the development of the report and strategic planning  
3 process; and

4 BE IT FURTHER RESOLVED that the economic development  
5 department, the workforce solutions department and the energy,  
6 minerals and natural resources department present their report  
7 to the relevant interim legislative committees prior to  
8 November 1, 2017; and

9 BE IT FURTHER RESOLVED that copies of this memorial be  
10 transmitted to the secretary of economic development, the  
11 secretary of workforce solutions, the secretary of energy,  
12 minerals and natural resources and the managing director of the  
13 national rural electric cooperative association.