

Energy Conservation and Management (ECAM)

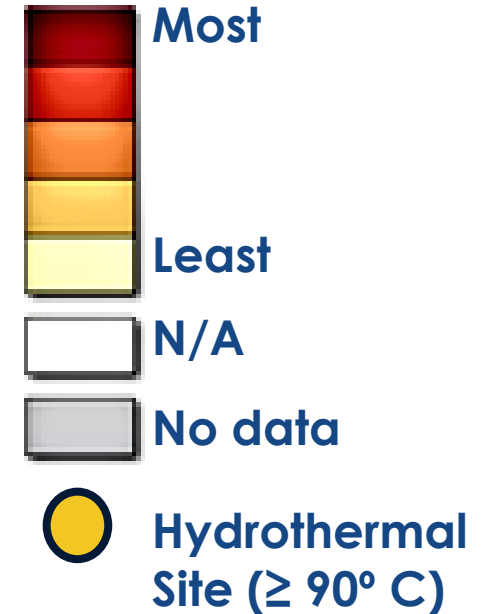
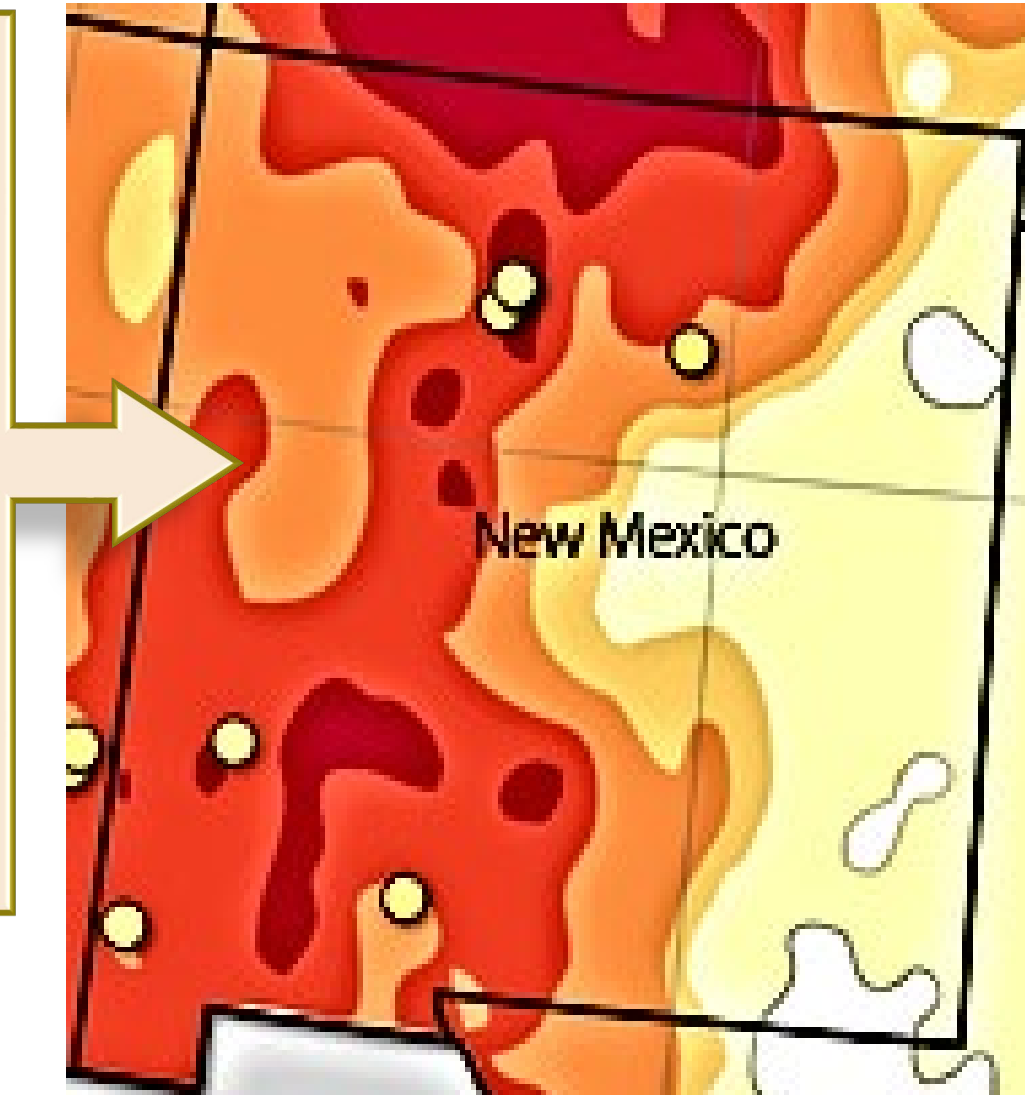
Geothermal Overview for Indian Affairs Committee

Initial Mapping of New Mexico's Geothermal Potential

Tribal land with likely high potential:

- Acoma
- Cochiti
- Isleta
- Jemez*
- Jicarilla Apache
- Nambe
- Ohkay Owingeh
- Picuris
- San Felipe
- Sandia
- Santa Ana
- Santa Clara
- San Ildefonso
- Zia*

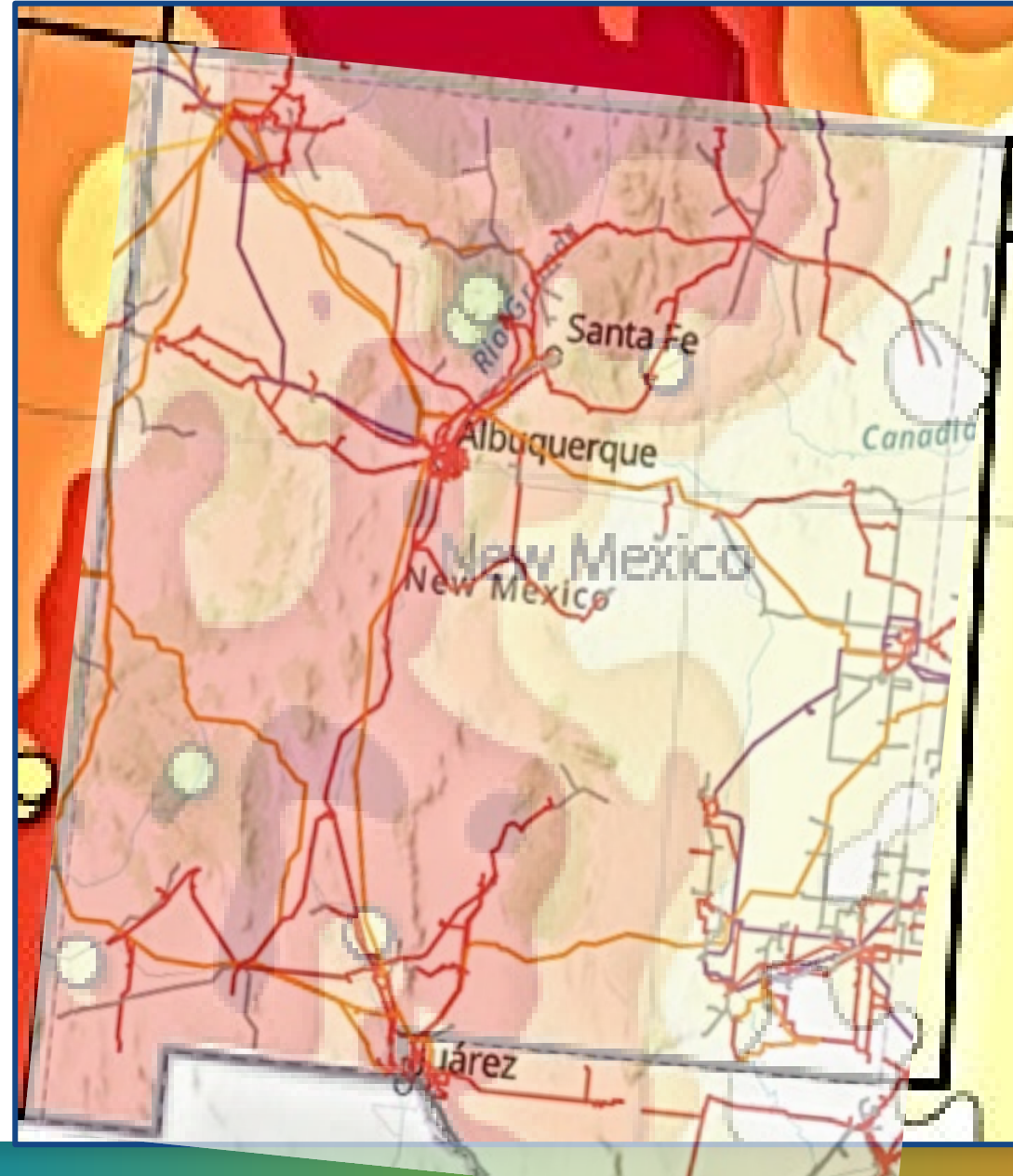
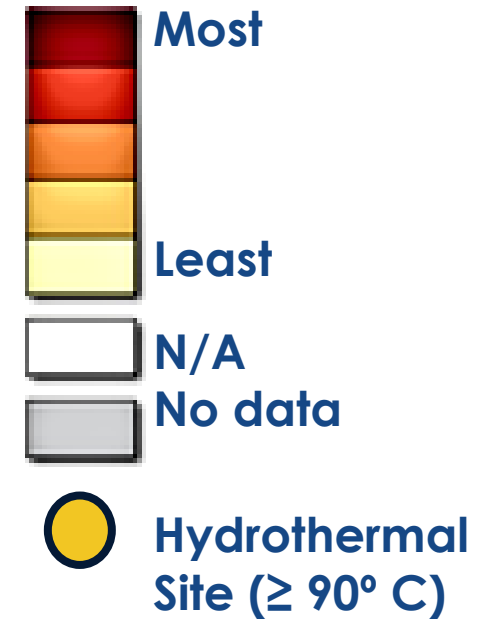
*Data available



Overlay: NM's Geothermal Resources/Transmission Lines

Transmission Lines

- 100-161 Kv
- 220-287 Kv
- 345 Kv



Why geothermal can be a good fit for tribes

- 1 Electricity revenue
- 2 Clean energy
- 3 Somewhat flexible siting
- 4 Small footprint
- 5 Usually uses little water
- 6 Can operate offgrid and “island” for resilience

New Mexico support for geothermal

- 1 Financial incentives
- 2 Supportive Ecosystem
- 3 Regulations & Policy
- 4 Strong Customer Base
- 5 World-Class Research

New Mexico support for geothermal – Financial Incentives 1 of 4

Geothermal Electricity Tax Credit

- Credit for geothermal electricity generation of \$0.015 per KWH generated.
- Program runs from January 1, 2025 to December 31, 2031.
- Annual aggregate amount available is \$5 million per year.
- Dev Corps could utilize

Tax Deduction

- Gross Receipts Tax deduction for selling goods or services that are associated with geothermal power plants.
- Dev Corps could utilize

IRBs

- Industrial Revenue Bonds (IRBs) for private developers in county partnerships

New Mexico support for geothermal – Financial Incentives 2 of 4

Geothermal Projects Development Fund – Grants (\$22.5 m)

- Funds to advance geothermal projects. (Current focus is subsurface data)
- Who is eligible to receive funding from EMNRD: tribes, universities, political subdivisions
- Available now
- Tribes could utilize

Geothermal Projects Development Fund – Loans

- Loans to advance geothermal projects (current focus is exploration backstop)
- \$2.5m in state seed money, and can receive outside dollars too
- Who is eligible to receive funding from EMNRD: entities, tribes, universities, political subdivisions
- Target availability: fall 2026
- Tribes and dev corps could utilize

New Mexico support for geothermal – Financial Incentives 3 of 4

Geothermal Ground-coupled Heat Pump Tax Credit

- Provides a credit for 30% of the purchase and installation costs of a geothermal heat pump system, capped at \$9000 per taxpayer per year.
- Program runs from January 1, 2024 to December 31, 2033.
- Annual aggregate amount available is \$4 million per year.
- Dev Corps could utilize

New Mexico support for geothermal – Financial Incentives 4 of 4

Green finance partner

- Entity partnering alongside ECAM on green financial support.
- Offer low-interest loans, interest rate buydowns, loan loss reserve, “fronting” for federal grants, bridge loans, and other needed green financing.
- Offers financial suggestions, including guidance on stacking and braiding
- Tribes and dev corps could utilize

State Sovereign Fund

- \$70b
- Prefers low-risk, moderate yield.
- Medium or long terms
- Best for post-appraisal

New Mexico support for geothermal – Supportive Ecosystem

Drillable Prospects

- Ranked #6 in geothermal potential
- Lightning Dock just doubled its output, becoming the most productive pumped hydrothermal well in operation in the US.

Experience, knowledge and workforce

- The nation's second largest producer of oil & gas, meaning we have:
 - a robust drilling workforce and
 - existing in-state drilling & equipment vendors
- Experienced personnel from both private industry and government
- Extensive, publicly available subsurface data (With more coming soon!)

New Mexico support for geothermal – Regulations & Policy

Fast, fair permitting

- Updated modern laws and rules.
- Smooth coordination across agencies like the State Land Office, Office of the State Engineer and EMNRD.
- Dedicated geothermal staff
- **ECAM does not regulate geothermal on federal or tribal lands**
- Available to support/advise tribes

Modernized Transmission

- Interstate transmission lines RioSol and SunZia are in progress, with more lines in planning.
- NM Renewable Energy Transmission Authority (RETA) supports transmission permitting and construction, with bonding authority and eminent domain.

New Mexico support for geothermal – Strong Customer Base

Potential customers for geothermal power or heat produced by Tribal governments include:

- Data centers, which are attracted to New Mexico's geographically central location, with little to no incidence of natural disasters like hurricanes or earthquakes.
- Four major military installations evaluating geothermal for energy security.
- Intel, Boeing and Raytheon, which run major manufacturing facilities in geothermal basins.
- The state's IOUs, which are under a renewable portfolio standard to produce 100% of the state's electricity carbon-free by 2045.

New Mexico support for geothermal – World-Class Research

New Mexico hosts major research institutions which have been exploring and experimenting with geothermal energy for decades:

- University of New Mexico
- New Mexico State University
- New Mexico Tech – now offering a geothermal engineering certificate
- Los Alamos National Laboratory (Los Alamos, NM)
- Sandia National Laboratory (Albuquerque, NM)

New Mexico support for tribal geothermal

- Grants
- “Geothermal 101” briefings
- Consult on regulatory best practices
- Consult on grid economics, both “islanded” and “grid-tied”
- Consult on community benefit plans – best practices
- One-stop-shop website CleanEnergy.nm.gov
- Energy coaches

CleanEnergy.nm.gov



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