

**MINUTES
of the
SECOND MEETING
of the
WATER AND NATURAL RESOURCES COMMITTEE**

**July 13-14, 2026
New Mexico Military Institute
Daniels Leadership Center
298 West 19th Street
Roswell**

The second meeting of the Water and Natural Resources Committee was called to order by Representative Kristina Ortiz, chair, on Monday, July 13, 2026, at 9:30 a.m. in the Daniels Leadership Center at the New Mexico Military Institute (NMMI) in Roswell.

Present

Rep. Kristina Ortiz, Chair
Sen. Elizabeth "Liz" Stefanics, Vice Chair
Rep. Micaela Lara Cadena
Rep. Kathleen Cates
Sen. Candy Spence Ezzell
Rep. Jonathan A. Henry
Rep. Joseph Franklin Hernandez (7/13)
Rep. Randall T. Pettigrew
Rep. Angelica Rubio
Rep. Debra M. Sariñana
Sen. Larry R. Scott
Rep. Elaine Sena Cortez
Sen. James G. Townsend

Advisory Members

Rep. Jack Chatfield
Rep. Eleanor Chávez
Rep. Nicole Chavez
Rep. Joanne J. Ferrary
Rep. Charlotte Little
Rep. Angelita Mejia
Rep. Mark B. Murphy
Sen. Antoinette Sedillo Lopez
Rep. Harlan Vincent

Absent

Sen. Pete Campos
Sen. Joseph Cervantes
Rep. Miguel P. García
Rep. D. Wonda Johnson
Rep. Marian Matthews
Rep. Matthew McQueen
Sen. Micaelita Debbie O'Malley
Sen. Jeff Steinborn

Rep. Gail Armstrong
Sen. Craig W. Brandt
Sen. Angel M. Charley
Rep. Meredith A. Dixon
Rep. Martha Garcia
Sen. Linda M. López
Rep. Stefani Lord
Rep. Tara L. Lujan
Sen. Antonio Maestas
Rep. Javier Martínez
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Rep. Andrea Romero
Rep. Patricia Roybal Caballero

Rep. Nathan P. Small
Sen. Mimi Stewart
Sen. Anthony L. Thornton
Sen. Peter Wirth
Sen. Pat Woods
Rep. Martin R. Zamora

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Sara Wiedmaier, Researcher, Legislative Council Service (LCS)
Angela Dakan, Staff, LCS
Kayla Stuhlmann, Staff, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the recorded webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, July 13

Welcome and Introductions (9:30 a.m.)

Representative Orteiz welcomed everyone, and committee members and staff introduced themselves.

Welcome and Local Updates (9:39 a.m.)

Tim Jennings, mayor, City of Roswell, welcomed the committee and spoke about the history of the area, industry loss and flood recovery challenges and the importance of adjudicated water rights for the Pecos Valley. Colonel David West, chief of staff, NMML, provided an overview of the NMML, its five-year plan, academic programs and efforts to improve student readiness.

Battery Energy Storage Systems (BESS): Utility Scale and Long Duration (10:09 a.m.)

Lynn Mostoller, executive director, New Mexico Renewable Energy Transmission Authority (RETA); Orland Whitney, engineer, Engineering Bureau, Utilities Division, Public Regulation Commission (PRC); Mark Thompson, senior director, State Affairs, Form Energy;

Ellen Howard Kutzer, director, Western Government Affairs, Jupiter Power; and Sarah Qureshi, vice president of policy, Plus Power, discussed the benefits of BESS in improving grid reliability and achieving the state's Energy Transition Act objectives. Ms. Mostoller discussed the RETA's efforts to advance carbon-free renewable energy storage, highlighting current projects, legislation efforts for 2027 and the need for expanded transmission and storage capacity to meet increasing energy demands. Mr. Whitney discussed the regulatory framework for battery and long-duration energy storage (LDES), recent project approvals, life cycle costs, customer protections and public safety requirements. Mr. Thompson discussed iron-air battery technology that is designed to be safer and more affordable than traditional lithium-ion batteries. He identified planning, program design and financing that could encourage greater adoption of LDES in New Mexico. Ms. Kutzer and Ms. Qureshi discussed BESS operations, including industry trends, benefits for grid management and renewable energy integration and opportunities for economic transition in communities affected by fossil fuel plant retirements. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=2>.

Transmission Updates and Meeting the Energy Needs of Southeastern New Mexico (12:06 p.m.)

Ms. Mostoller and Laurie Williams, senior vice president, Integrated Planning and Transmission Development, Public Service Company of New Mexico, discussed the need to expand transmission infrastructure to harness New Mexico's renewable energy resources, improve grid reliability and resilience, support economic development and energy transition goals, reduce costs and enable participation in regional energy markets. Ryan Colley, executive director, NextEra Energy Transmission, and Jarred Cooley, senior director of strategic planning, Southwestern Public Service Company, discussed the Crossroads-Hobbs-Roadrunner transmission line project and highlighted other PRC-approved transmission projects intended to improve regional energy delivery. Bobby Ferris, vice president and general manager, Lea County Electric Cooperative, discussed how transmission projects in southeastern New Mexico are essential in supporting regional economic growth. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=3>.

Grid Modernization and Resilience (1:06 p.m.)

Cholla Khoury, chief of staff, PRC, explained what grid modernization is and discussed the PRC's role in evaluating utility investments. Rebecca "Puck" Stair, director, Energy Conservation and Management Division, Energy, Minerals and Natural Resources Department (EMNRD), provided an overview of the Grid Modernization Grant program, current projects and future plans. Brianne Jole, P.E., manager, Distribution System Planning and Strategy, Xcel Energy, discussed smart meters, microgrids and the opportunities that House Bill 93 (2025) provides to expand generation resources for customers. Leslie Chagnon, senior director, Grid

Modernization Strategy, El Paso Electric (EPE), discussed EPE's modernization initiatives, including transmission upgrades, advanced grid technologies, battery storage projects and customer programs that support demand management. Olga Lavrova, Ph.D., P.E., professor and director, Electric Utilities Management Program, New Mexico State University (NMSU), discussed the need for large-scale testing to validate new technologies before deployment and shared NMSU's goal to develop a microgrid testbed to conduct multidisciplinary research and collaborate with industry stakeholders. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=4>.

Orphan Well Plugging Updates, Oil and Gas Reclamation Fund Changes and New Bonding Rules (2:28 p.m.)

Albert Chang, director, Oil Conservation Division (OCD), EMNRD, discussed the OCD's orphan well plugging program, highlighting record plugging activity in fiscal year 2026, methane emission reductions, emergency response efforts and plans to grow the program's capacity through new funding and staffing initiatives, including the creation of a dedicated bureau. Tannis Fox, senior attorney, Western Environmental Law Center, discussed proposed bonding and financial assurance reforms to reduce orphan well risks and liabilities, including increased requirements for high-risk wells and operators, stricter transfer oversight and enhanced funding for well reclamation through House Bill 80 (2026). Tiffany Wallace, manager, Policy and External Affairs for the United States Lower 48, Occidental Petroleum Corporation, and Andrea Felix, vice president of regulatory affairs, New Mexico Oil and Gas Association, discussed the constructive engagement among stakeholders regarding bonding rules, gave a brief history of the Oil and Gas Reclamation Fund and applauded the passage of House Bill 80 (2026) to address the legacy orphan well backlog. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=5>.

Emissions Monitoring, Reductions and School Setbacks (4:04 p.m.)

Michelle Miano, director, Environmental Protection Division, Department of Environment (NMED), discussed the NMED's emissions monitoring and regulatory oversight, including air quality monitoring near schools and emissions tracking methods and challenges. Mandy Sackett, New Mexico lead campaigner, Earthworks, discussed emissions from oil and gas facilities near schools and advocated for increased setbacks between oil and gas infrastructure and schools. Debra A. Kaden, Ph.D., fellow, Academy of Toxicological Sciences, and principal toxicologist, RHP Risk Management Inc., discussed research on oil and gas emissions and exposure, emphasizing the importance of evaluating risk based on pollutant concentrations, proximity and exposure duration. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=6>.

Data Centers: Large Load Energy Use and Air Emissions (5:27 p.m.)

Ms. Stair discussed the energy demand of data centers and large-load customers, associated grid planning challenges and strategies to support affordability and grid modernization. Ms. Miano briefly discussed the types of data centers in New Mexico and air quality impacts, noting that data centers are regulated under the same permitting requirements as other facilities. Ms. Khoury discussed the impacts of large-load customers on utility planning, risk management and the balancing of economic development with customer protections. David Baake, attorney and energy policy consultant, Western Resource Advocates, discussed potential air quality and climate impacts of data center growth, renewable energy options for powering large facilities and policy approaches that consider public health and New Mexico's clean energy goals. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=7>.

Public Comment (6:07 p.m.)

A list of individuals who made public comment is available in the meeting file.

Recess

The meeting recessed at 6:19 p.m.

Tuesday, July 14**Reconvene**

The meeting reconvened at 9:04 a.m. Representative Cates noted reports that the federal government is drilling for water without state permits and thanked the legislature for passing House Bill 111 (2025), which increases penalties for water law violations. Mr. Jennings spoke briefly about the importance of local control over water systems.

Regional Ground Water Management (9:03 a.m.)

Aron Balok, superintendent, Pecos Valley Artesian Conservancy District (PVACD), and Greg Alpers, chair, Board of Directors, PVACD, and member, Water Trust Board, presented on the successful regional ground water management by the PVACD sustaining the Roswell Artesian Basin while supporting agricultural growth through planning, adjudication, metering, conservation measures and cooperation with state and local partners.

Produced Water: Rulemaking Status, Data Gaps, Research and Technological Advancements (10:08 a.m.)

Jonas Armstrong, director, Water Protection Division, NMED, provided an update on implementation of the Produced Water Act and ongoing rulemaking for treated produced water reuse. He emphasized the need for comprehensive water characterization, contaminant standards, permitting requirements, enforcement provisions and adequate staffing. Zachary Stoll, Ph.D., assistant director, New Mexico Produced Water Research Consortium, provided an update on ongoing produced water research, reporting that studies have found no adverse effects

from treated water. He identified further research needs, including long-term performance at scale, operational reliability and site-specific reuse applications. Dan Mueller, P.E., water resources engineer and member, New Mexico and Texas Produced Water Consortia, discussed the potential for beneficial reuse of treated produced water, emphasizing that both technical and economic feasibility must be demonstrated and additional field-scale testing is needed. Ms. Fox reviewed legislative and regulatory actions related to produced water since passage of the Produced Water Act, including the development of the NMED's produced water rule that prohibits discharges to surface and ground water and highlighted concerns regarding the current state of treatment technology and the need for additional research before discharge is authorized.

Fred Verner, regulatory advisor, New Mexico Oil and Gas Association, discussed the potential for reuse of produced water, noting that it can be treated to standards appropriate for specific uses. He emphasized that large-scale testing is needed and encouraged continued research to evaluate reuse options. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=9>.

Surface Water Permitting Program: Implementation and Rulemaking (12:34 p.m.)

Mr. Armstrong provided an update on implementation of the surface water permitting program, including rulemaking progress, plans to seek federal support for federal Clean Water Act permitting authority and ongoing efforts to build the staffing and infrastructure needed to administer the program. Rachel Conn, deputy director, Amigos Bravos, discussed the loss of federal Clean Water Act protections for many state waterways and expressed support for the surface water permitting program. She outlined key issues in the rulemaking process, including program scope, fees and protections for wildlife and tribal waters, and encouraged continued legislative support for the program. Dalva L. Moellenberg, shareholder, Gallagher & Kennedy, P.A., Natural Resources Partnership, discussed concerns with the proposed surface water permitting rules, including regulatory clarity, permit fees and potential impacts on municipalities, infrastructure projects and natural resource industries. He encouraged refinement of the rules to improve clarity. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=10>.

Public Comment (1:35 p.m.)

A list of individuals who made public comment is available in the meeting file.

New Mexico Grown Approved Supplier Program (NM Grown) Protein Pilot; Local Meat Processing; and Screwworm Updates (2:00 p.m.)

Kirsten Hansen, director, Community Health and Engagement, New Mexico Farmers' Marketing Association, provided an overview of NM Grown and the new Protein Plus program, which support local producers and expand access to New Mexico-grown food. She emphasized the economic and nutritional benefits of these programs and requested recurring funding to

provide stability for producers and institutional buyers. Kim Meeks, school food service director, Roswell Independent School District, highlighted the Roswell Independent School District's participation in NM Grown, noting that the district spent more than \$865,000 on beef, beans, produce and other products from New Mexico suppliers during the past school year and emphasized the program's benefits for students, local producers and the state's economy. She encouraged recurring funding for the program to support planning and expand local sourcing opportunities and partnerships between schools and producers. Nayely Madrid, office manager, U.S.A. Beef Packing, LLC, and Megan Foote, owner and rancher, Foote Family Meats, discussed how participation in NM Grown has expanded market opportunities for local producers, supported business growth and job creation and increased access to local food in schools, food banks, senior centers and child care centers. Both emphasized that continued, recurring funding would provide stability for producers, support long-term planning and investment and further strengthen local food systems and rural economies. Belinda Garland, executive director, New Mexico Livestock Board, provided an update on the state's meat and poultry inspection program, noting that final approval from the United States Department of Agriculture is expected soon. She also discussed the threat of New World screwworm and outlined New Mexico's response efforts, including surveillance, inspections, movement controls and interagency coordination, and reported that a recent case was successfully contained with no additional detections. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=7/13/2026&ItemNumber=11>.

Adjournment and Tour

There being no further business before the committee, the meeting adjourned at 3:10 p.m. Members of the committee and committee staff received a tour of the U.S.A. Beef Packing, LLC facility, which provides meat processing services for ranchers and commercial customers as well as value-added processing, institutional and school food supply, cold storage and distribution, custom and halal processing and more.