

ACTION PLAN

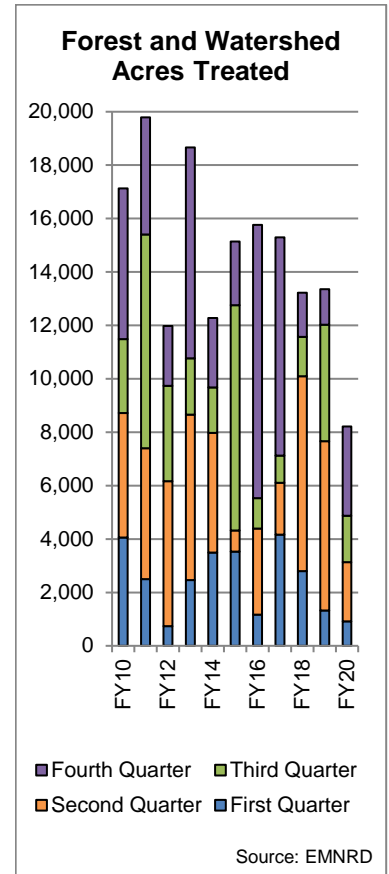
Submitted by agency? No
Timeline assigned? No
Responsibility assigned? No

The Energy, Minerals and Natural Resources Department (EMNRD) pursued initiatives in FY20 to improve performance in key areas, such as a modernization and marketing plan to increase State Parks visitation and a reorganization of the Oil and Gas Conservation Division (OCD) that aims to address the agency’s need to pay competitive salaries. EMNRD’s operations have been significantly affected, however, by the COVID-19 pandemic. State parks were closed during part of the busiest season of the year, trainings and prescribed burns had to be canceled by the State Forestry Division, and positions the OCD planned to fill will likely remain vacant for some time.

Healthy Forests

The Healthy Forests Program, also known as the State Forestry Division (SFD), did not meet either of its performance targets for FY20. In the first half of the fiscal year, interest in firefighter training was low due to a slow fire season and fewer opportunities for firefighter deployment. Trainings increased in the third quarter, but once public health orders related to the COVID-19 pandemic went into effect, in-person trainings were canceled. Online trainings through the National Wildfire Coordinating Group were held, but SFD does not have participation data since it was not the organizer of those trainings.

The number of forest and watershed acres treated was also affected by COVID-19 in the third and fourth quarters of FY20. All prescribed burns that had been scheduled for spring were canceled to avoid stressing the respiratory systems of individuals infected with COVID-19 or at elevated risk due to preexisting respiratory illnesses. Some forest thinning operations were also halted until contractors received clarification that natural resource extraction is deemed an essential business and work could resume following COVID-19 safety guidelines. Even before the impact of the pandemic, forest thinning in the first half of the year was limited due to early snowfall and an injunction related to the Mexican spotted owl that stopped most work on national forest system lands. At the start of FY20, SFD had plans to treat roughly 3,000 acres of federal lands.

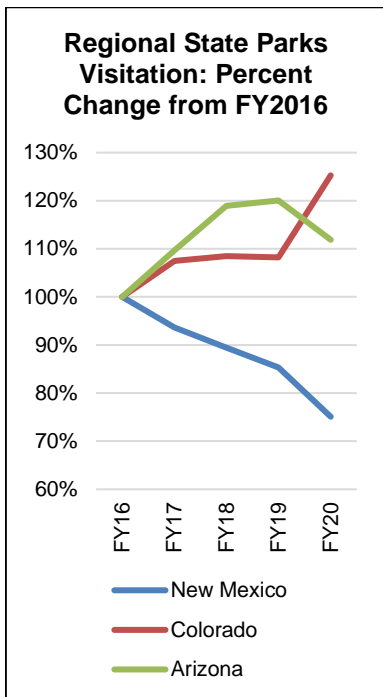


Budget: \$13,828.8 **FTE:** 78

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Nonfederal wildland firefighters provided training	1,205	1,454	1,500	1,229	Y
Acres treated in New Mexico’s forest and watersheds	13,226	13,358	15,500	8,213	R
Program Rating	R	Y			Y

State Parks

State park visitation declined for the fifth year in a row in FY20, falling short of the target of four million visitors. The COVID-19 pandemic suppressed visitation in the third and fourth quarters, when state parks were first closed to the public and then reopened at limited capacity for day-use only. Self-generated revenue in FY20 was approximately \$1.2 million less than it was in FY19.



Source: EMNRD, Colorado Parks & Wildlife, Arizona State Parks & Trails, Arizona Office of Tourism

In FY20, the State Parks program began implementing a modernization plan and promotional campaign called “Next Generation of Adventure” to reduce cash management, improve visitor experience through facilities upgrades and new amenities, and increase park visitation. Along with installing self-pay kiosks and WiFi that would allow for financial card payments, EMNRD may also consider changes to the State Parks fee structure based on the results of a fee study to improve revenue collection.

Budget: \$26,609.9 **FTE:** 241.4

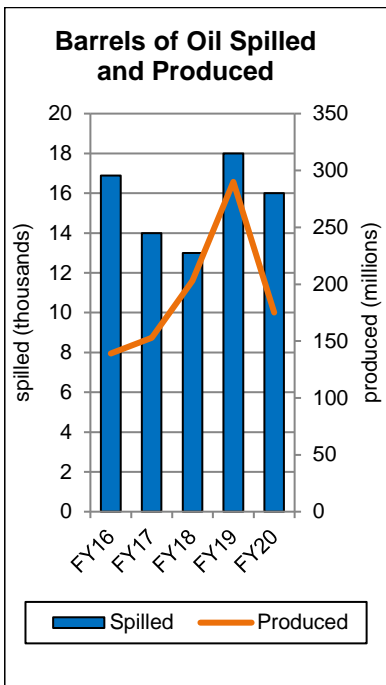
	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Number of visitors to state parks, in millions	4.7	4.5	4	3.9	Y
Self-generated revenue per visitor, in dollars	1.06	1.02	0.94	1.04	G
Program Rating	Y	Y			Y

Mine Reclamation

The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the state to complete the reclamation if the company owning the mine fails to do so. In FY20, all permitted mines were in compliance with this requirement.

Budget: \$8,120 **FTE:** 32

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	99%	100%	98%	100%	G
Program Rating	G	G			G



Source: OCD Data

Oil and Gas Conservation

The Oil and Gas Conservation Division (OCD) attributes fewer inspections and a lack of compliance with permits and regulations to compliance officer vacancies. For most of FY20, half of OCD’s compliance officer positions were vacant. These positions are located in the department’s various field offices, which increases the difficulty of hiring. OCD is engaged in a reorganization effort that will fix inconsistencies across district offices and streamline processes to improve compliance and enforcement. Performance data for this program will help determine the effectiveness of this reorganization.

The division continues to process most approved drilling permits within 10 business days, but did not meet targets for inspections or abandoned well-plugging. Due to timing conflicts with OCD’s well-plugging contractor, no wells were plugged during the first two quarters of FY20. The division issued 2,176 violations to operators in FY20, an increase over FY18 and FY19.

OCD is working alongside the Environment Department to develop a methane emissions reduction strategy in accordance with the governor’s executive order on addressing climate change and energy waste prevention. Both agencies released draft rules and will take public comment into consideration before proposing the regulations in a formal rulemaking process. OCD’s goal will be to prevent the waste

of methane and other natural gas in the oil industry. In FY21, OCD will start reporting on the volume of natural gas vented and flared.

The Environmental Bureau of OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division’s performance measures. Well drilling and grout and sand injection began in the fall of 2019. The southern void has been stabilized, but additional roof collapse was discovered in the northern portion of the cavern and will require additional filling material and construction work to prevent a catastrophic collapse.

Budget: \$11,238.1 **FTE:** 70

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Inspections of oil and gas wells and associated facilities	42,880	31,043	42,000	36,852	Y
Application to drill permits approved within 10 business days	99.8%	92.9%	95%	94.6%	G
Abandoned oil and gas wells properly plugged	41	31	50	36	R
Violations issued*	2,081	1,620		2,176	
Program Rating	G	Y			Y

*Measure is classified as explanatory and does not have a target.

Renewable Energy and Energy Efficiency

The purpose of the Renewable Energy and Energy Efficiency program, also called the Energy Conservation and Management Division (ECMD), is to develop and implement effective clean energy programs, renewable energy, energy efficiency and conservation, alternative transportation and fuels and safe transportation of radioactive waste. ECMD also provides technical assistance and information to the renewable energy industry for ongoing, potential, and proposed projects. In FY20, a sustainability and resilience officer position was created to lead the state’s efforts on climate change preparedness and mitigation. Thus far, the sustainability and resilience officer has created ten climate action teams with representatives from all state agencies working on policy proposals for issues, including transportation decarbonization and grid modernization.

ECMD met its goal of reviewing 90 percent of applications for clean energy tax credits within 30 days. FY20 is the first year the program is reporting on technical assistance provided to clean energy projects, and the measure does not have a target. In FY20, ECMD provided technical assistance or contract review for 143 ongoing Energy Savings Performance Contract projects and information to seven solar and microgrid projects for potential development in New Mexico.

Budget: \$3,009.4 **FTE:** 17

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	G
Clean energy projects to which the division provided information and technical assistance*	NEW	NEW	N/A	143	
Program Rating	G	G			G

*Measure is classified as explanatory and does not have a target.

ECMD operates the Energy Savings Performance Contracting program, which implements energy efficient facility improvements without the need for upfront capital funding from state agencies. ECMD reviews and certifies investment grade audits that guarantee the energy savings will provide for the financing of construction costs.

ECMD also monitors project construction to ensure certified measures are implemented and evaluates monitoring and verification reports to assess the performance of the annual energy savings. LFC recommends EMNRD add performance measures to capture the energy and financial savings created by this program and demonstrate compliance with best practices.

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