

November 17th, 2025

## Water and Natural Resources Committee: Budget Cuts to Energy Projects

Prepared By: Austin Davidson, LFC Analysts

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### Budget Cancellations

In early October, the federal administration canceled \$135 million of Department of Energy funding related to 10 separate energy projects in New Mexico. With many of the projects having already begun construction or planning, the cancellations of funding resulted in projects constructing plans to either pause, restructure, or discontinue until funding can be attained.

### Projects Affected

Below is the list of the projects whose funding was cancelled:

- Navajo Transitional Energy Company; CO2 capture projects for Four Corners power plant; \$6.6 million
- Kit Carson Electric Cooperative; battery storage system for grid resilience; \$15.4 million
- PNM; virtual power plant for grid stability; \$35.6 million
- New Mexico Institute of Mining and Technology; carbon storage hub, sorption material for direct air capture, retrofitting of methane emitters; across four projects \$59.3 million
- Solar Dynamics; solar thermal biosolids demonstration; \$3 million
- Pajarito Power; oxygen evolution reaction catalysts for electrolyzer industry and domestic manufacturing funding; across two projects \$18.5 million.

The total project costs related to the ten projects totaled \$244.8 million. The cancellations to funding translates to a 55.3 percent reduction.

### Department of Interior and Forest Service Cuts

In late October, the Department of Interior also cancelled roughly \$2.5 million of funding tied to environmental grants for New Mexico, with the majority of that funding tied to the Institute for Applied Ecology.

The Southwest Ecological Restoration Institute (SWERI), with satellite institutions at Northern Arizona, Colorado State, and New Mexico Highlands university, saw \$3.3 million of its \$6.3 million federal budget, a 55 percent decrease, cancelled by the federal administration. There are further proposals to cancel funding for SWERI in the upcoming federal fiscal budget, though nothing has been finalized. New Mexico Highlands University's New Mexico Forest and Watershed Institute was

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tapped to receive \$1 million of funding from SWERI, though has not received the full amount due to federal budget restructuring and is instead being subsidized by outside grants.