

Objective:
To position New Mexico as a national leader in energy and natural resources management.



Budget Overview:

FY25 Agency Submission Sept. 1st: \$198,944.9

[All figures are in thousands]

- General Fund: \$50,564.6
- Federal Funds: \$91,858.4
- Other Revenues: \$32,289.2
- Other Transfers: \$5,143.6
- Fund Balance: \$14,089.1

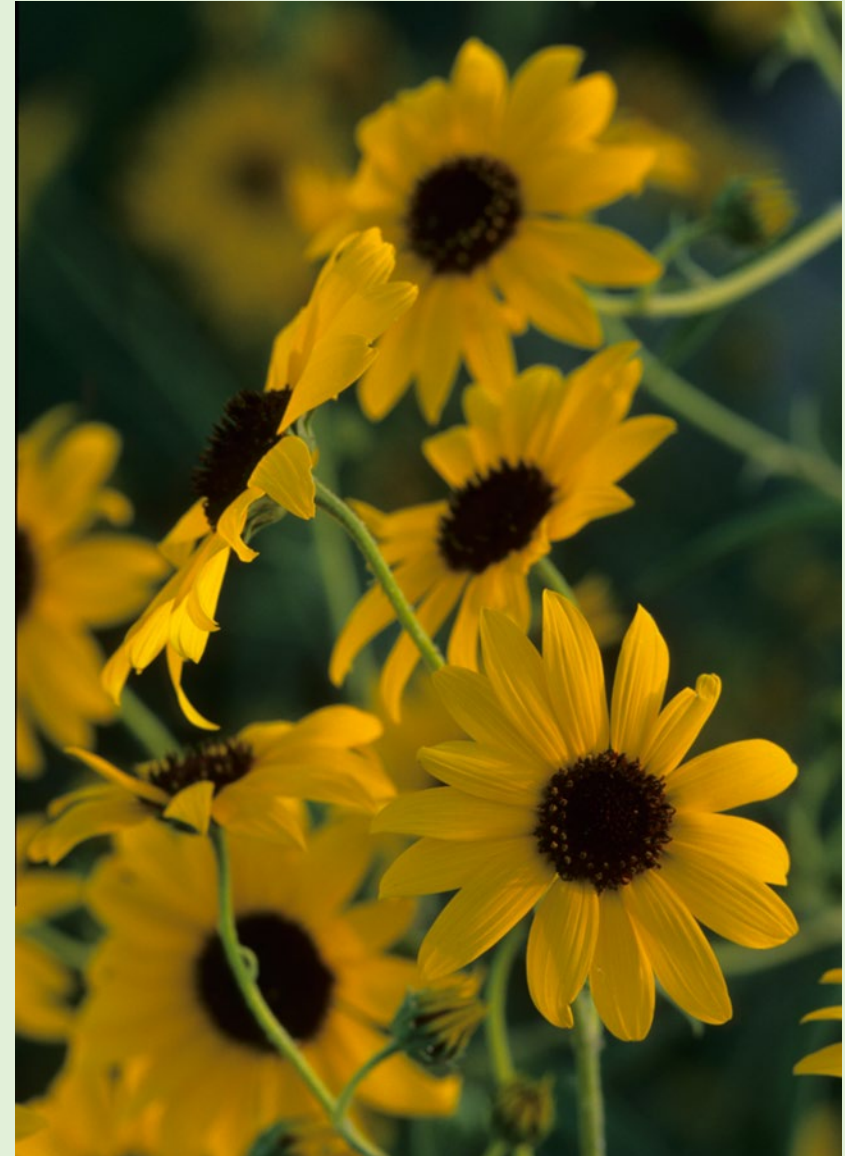
F24 Operating Budget: \$152,253.9

- General Fund: \$35,439.6
- Federal Funds: \$69,672.3
- Other Revenues: \$32,256.6
- Other Transfers: \$4,281.3
- Fund Balance: \$10,604.1

Energy, Minerals & Natural Resources

EMNRD's proposed budget funds programs and positions to enhance:

- HotShot firefighting personnel and operations
- Industry Oversight: Oil and Gas, Mining
- Visitor experience in our State Parks
- Solar and green building tax credit certifications for New Mexicans
- Water Data Act Implementation
- Maximum deployment of BIL, IRA, other federal dollars



Pecos Sunflower

Energy, Minerals & Natural Resources Reversion

EMNRD's reversion consists of several balances that are not part of the agency HB2 Section 4 appropriation reversion.

- HB2 Section 4 Appropriation Reversion \$ 461,666.97
 - ECMD \$ 72,720.08
 - State Forestry \$ 23,780.08
 - MMD \$ 35,396.91
 - OCD \$ 327,294.27
 - Program Support \$ 2,475.63
- Penalties Collected in OCD \$ 2,154,700.00
- Emergency Fire Disaster Reversion (Actually a reimbursement to GF) \$ 1,402,747.00



State Forestry (P741)

Agency Submission: \$62,641.6 (GF: \$9,691.6; Fed: \$40,941.0)

FY24: \$29,538.2 (GF: \$6,977.1 Fed:\$18,597.0)

- **Fight today's fires and prepare for future wildfires**
 - Accurate GF appropriation for wildland firefighting FTEs to support the 2 new HotShot crews authorized by the legislature
 - Operating expenditures for Pecos River and Eagle Peak HotShots located in Las Vegas and Socorro
- **Update facilities with one-time capital funding and continue investment in forest and watershed restoration**
 - Portable buildings need replacement to support statewide wildfire response
 - Consistent restoration project funding supports local contractors and forest workers
 - Covered previously in ICIP presentation

No new FTEs were requested for State Forestry

State Parks Division (P742)

Agency Submission: \$46,622.9
(GF: \$17,178.3; Fed: \$9,236.7)

FY24: \$40,451.3 (GF: \$11,331.9; Fed: \$9,253.9)

- Supports hiring law enforcement park rangers statewide to promote public safety and protect natural and cultural resources
- Fills vacancies to better serve New Mexicans and grow the outdoor recreation economy
- Reduce unfunded vacancy rate

No new FTEs were requested for State Parks



Park Rangers at Navajo Lake State Park

Oil Conservation Division (P744)

Agency Submission: \$59,479.6 (GF: \$ 11,391.7; Fed: \$25,919.7)

FY24: \$56,097.0 (GF: \$9,230.3; Fed: \$25,842.8)

- Production increased 750% in the last decade and over the last year averaged ~47.8 million barrels/month.
- Over 69,000 active wells. NM ranks #2 in onshore oil production but 9th in regulatory staffing.
- OCD is implementing nation-leading methane rules, Produced Water Act, updated Release (Spill) Rule, and scaling orphan well plugging to deploy ~\$100 million under BIL
- Request 10 FTEs to:
 - Invest in our UIC program in anticipation of a Class 6 primacy application;
 - Continue to grow our field inspection capacity;
 - Increase the capacity of our environmental bureau investigate and respond to releases; and
 - Increase our hearings/enforcement.
- Continued disbursements from Rec. Fund to complement BIL funding.



Energy Conservation and Management Division (P740)

The State Energy Office

Agency Submission: \$8,639.9 (GF: \$4,980.5 Fed: \$3,411.5)

FY24: \$5,859.8 (GF: \$2,273.6; Fed:\$3,338.3)

State's Transition to a Clean Energy Future:

- Move 4 FTEs for Office of Regulatory Affairs to Energy Office from Program Support – work is energy-sector focused
- Create 2 temp positions to support tax credit program data entry work
- Create 2 new FTEs associated with expected legislation
 - 1 Financial Coordinator A for EV tax credit program (GF)
 - 1 Project Coordinator for geothermal program (fed)



Mining and Minerals Division (P743)

Agency Submission: \$14,441.3 (GF: \$2,395.2 Fed: \$11,297.4)

FY24: \$13,541.7 (GF: \$1,205.0 Fed: \$11,436.3)

- NM saw increased mineral exploration activity and mining industry employment over the past year; MMD continues building capacity to keep up with industry growth and developments.
- EMNRD requests modest GF increases because revenue from fees set in 1994 have not kept up with program needs.
- State match of 23% required for federal coal funding.
- Implementation of Water Data Act (EMNRD received 1 out of 2 positions in FY24 needed to implement the Act).



Program Leadership and Support (P745)

Agency Submission: \$7,119.6 (GF: \$4,927.3 Fed: \$1,052.1)

FY24: \$6,765.9 (GF: \$4,421.7 Fed: \$1,204.0)

- EMNRD needs funding for every single Program Leadership and Support position
- Recognizes Program Support's important role in EMNRD securing federal funds for New Mexico and managing legal compliance
- Addition of grant-funded climate policy advisor



Special Appropriation (one-time)



(1) \$1,705,000 - Provides matching requirements for \$16,891,408 in federal infrastructure funds

40101: Preventing Outages and Enhancing the Resilience of the Electric Grid (formula award)

(2) Climate risk map software \$75k

(3) EV tax incentive program software development \$500k

(4) Rio Grande Trail Commission contracts to define path routes \$225k

(5) Outside counsel litigation defense \$250k

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Thank you