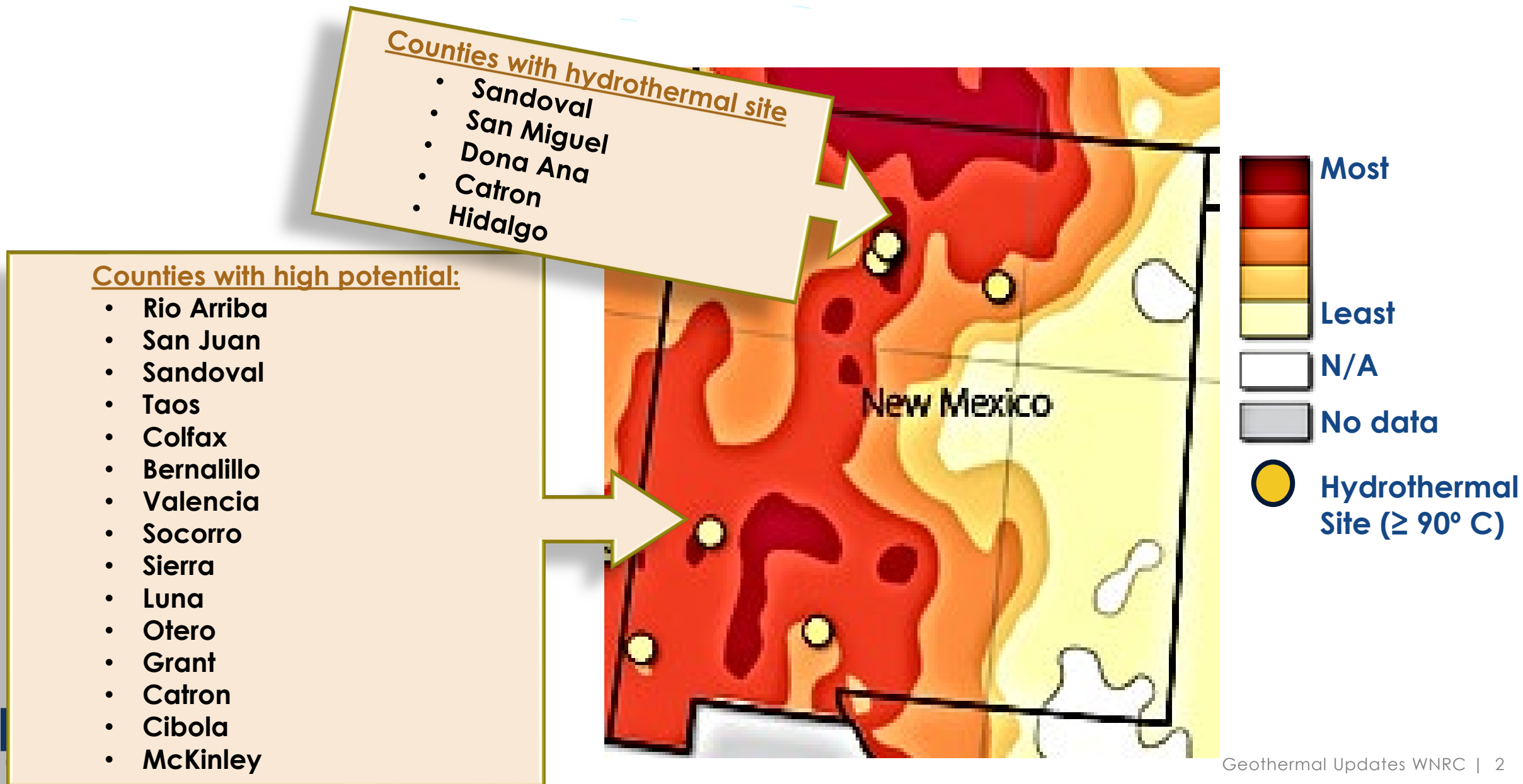


Energy Conservation and Management (ECAM)

Geothermal Updates Water & Natural Resources Committee

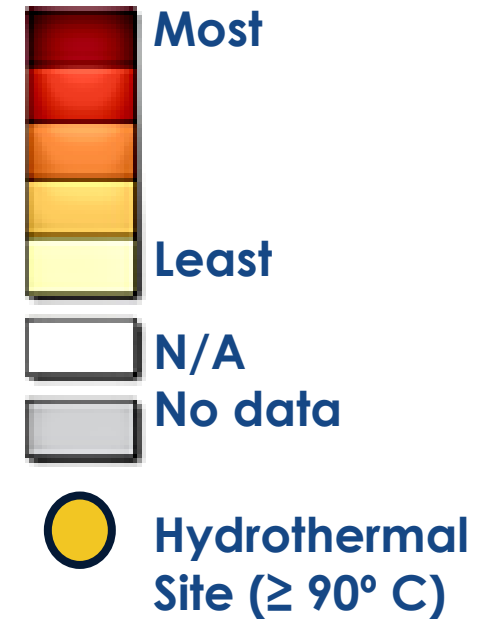
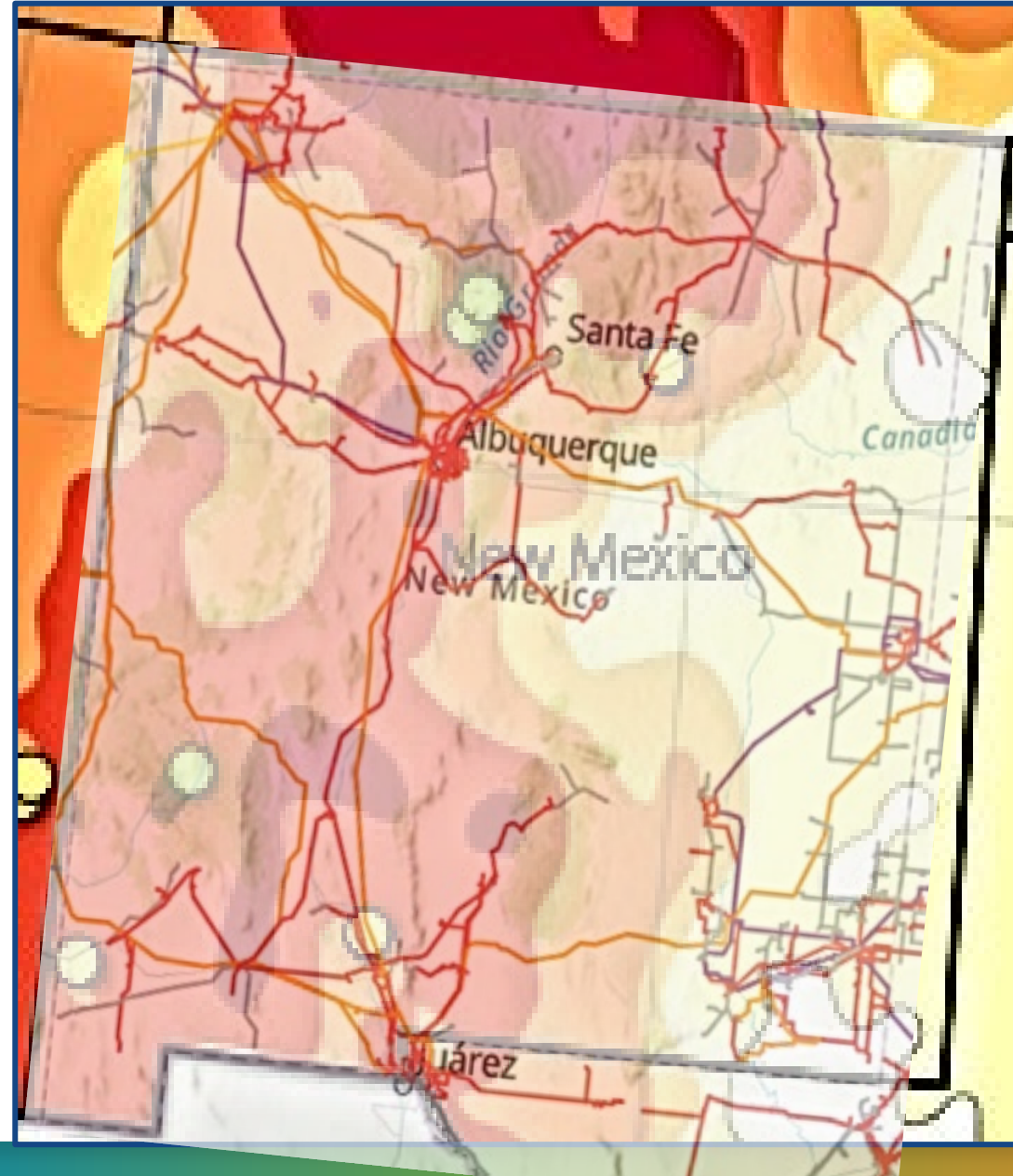
Initial Mapping of New Mexico's Geothermal Potential



Overlay: NM's Geothermal Resources/Transmission Lines

Transmission Lines

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



<https://www.arcgis.com/apps/mapviewer/index.html?layers=d4090758322c4d32a4cd002ffaa0aa12>

ECAM Geothermal Programs

- 1 Grants
- 2 Loans
- 3 Outreach and Education
- 4 Workforce
- 5 Permitting
- 6 Challenges, Solutions & Next Steps

Geothermal Grants

Funds “to advance geothermal projects.”

~ \$20m

Four initial awards, to focus on different regions of the state:

UNM – Albuquerque metro

NMSU – Las Cruces region

Jicarilla – Jicarilla Apache Reservation

NM Tech – Socorro region

Phases of study and go/no-go steps:

- 1) Tabletop data analysis (subsurface, grid, surface permissions, etc.)
- 2) Noninvasive field tests (magnetotelluric studies; gravity studies)
- 3) Invasive field tests (skinny wells to check temperature gradient and subsurface, etc.)
- 4) Production well

Geothermal Loans

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: Winter 2026

Geothermal Outreach and Education

Participating in “Geothermal For Local Officials” workshops

- ECAM one of several invited presenters with REIA, NM Tech, and OSE.
- Goals:
 - Before a geothermal project arrives in the area
 - Present neutral fact-based information
 - Lay out pros, cons and lessons learned elsewhere
 - Open a line of communication between state regulators and local officials
- Starting with 3–5 locations; hope to expand to all 33 counties
- Tribal content available too

Workforce Development

- ECAM’s geothermal staff and ECAM’s workforce staff are collaborating with DWS and JTIP
- Presented at monthly Workforce Alliance For Green Energy (WAGE) working group
- NM Tech geothermal certificate

Geothermal Permitting

Goal: Fast, fair, safe permitting

- Updating ECAM permitting rules
- Estimated completion late Fall 2026
- New features balance new technologies with reliability and safety:
 - Multiple different well categories; ability to roll over to a different category
 - ECAM has power over pooling, protect developer's sunk costs and the state's heat resource
- Smooth coordination across agencies like the State Land Office, Office of the State Engineer, and EMNRD.
- Building a permitting website with digital forms and process
- Dedicated geothermal staff (but they are terms not perms)

Geothermal Challenges, Solutions & Next Steps

1. Upfront risk and upfront capital remains very high for developers (“valley of death”).
 - One solution: continue state investment in subsurface data (a la FORGE in Utah)
2. There’s a need to coordinate timing with the grid, especially on transmission buildout
 - One solution: update utility integrated resource plans annually, not every 3 years
3. Rapidly changing technology can outpace regulatory capacity
 - One solution: adequately staff ECAM’s geothermal office, including sufficient in-field inspectors
4. National and international supply chains, as well as competition with oilfield drillrigs and field equipment, are slowing deployment of ECAM dollars and raising prices.
 - One solution: extend ECAM’s authority to spend the \$22.5m through FY28.

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