

ACTION PLAN

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

Energy, Minerals and Natural Resources Department

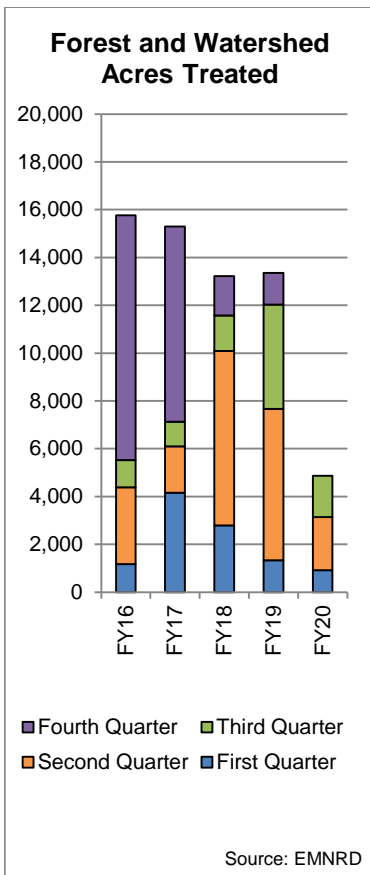
The Energy, Minerals and Natural Resources Department (EMNRD) is pursuing initiatives in FY20 to improve performance in key areas, such as a modernization and marketing plan to increase State Parks visitation and a reorganization of the Oil and Gas Conservation Division (OCD) that aims to address the agency’s need to pay competitive salaries. EMNRD’s operations have been significantly affected, however, by the COVID-19 pandemic. Roughly half of state parks are closed heading into what is usually 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.

EMNRD proposed adding performance measures in FY21 that will capture data on waste created by oil and gas activity as well as the complexity of the drilling permit application process. The agency should also consider adding key measures in the Renewable Energy and Energy Efficiency Program to reflect the goals of the \$20 million capital appropriation made in FY20.

Healthy Forests

The State Forestry Division (SFD) reports a slow fire season in New Mexico and around the country meant fewer opportunities for firefighters to be deployed in or out of state, which in turn meant interest in training was low at the beginning of the fiscal year. In the third quarter, multiple scheduled trainings were canceled due to the implementation of necessary safety protocols in response to the COVID-19 pandemic. Despite this, SFD was able to train 861 firefighters during Q3 through a memorandum of understanding with the Department of Transportation to share resources in rural areas.

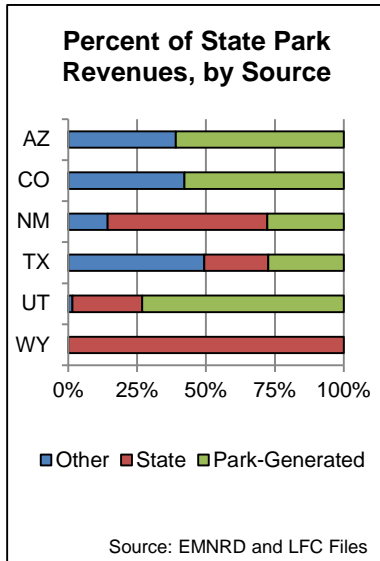
The division treated 13.4 thousand acres of overgrown forests and watersheds to increase resilience to fire, drought, insects, and disease in FY19, more than 2,000 acres below the target. For FY20, the Legislature appropriated \$2 million annually to a new forest land protection revolving fund to administer forest and watershed management projects. State Forestry has a list of planned projects to be completed with this funding. However, early snowfall and an injunction related to the Mexican spotted owl that stopped most forest thinning on national forest system lands delayed much of the work planned for fall 2019. Now, the public health crisis has stalled SFD’s forest treatment work for the spring, including prescribed burns that were planned but would have further stressed the respiratory systems of individuals infected with COVID-19 or at elevated risk due to preexisting respiratory illnesses.



Budget: \$13,828.8 FTE: 78

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	FY20 Q3	Rating
Nonfederal wildland firefighters provided training	1,205	1,454	1,500	40	191	861	Y
Acres treated in New Mexico’s forest and watersheds	13,226	13,358	15,500	913	2,223	1,729	Y
Program Rating	R	Y					Y

State Parks



Low visitation to state parks is typical during the second and third quarters due to colder weather. However, the COVID-19 pandemic resulted in the temporary closure of state parks in early March, which likely suppressed visitation in the third quarter even further. State parks began a phased reopening in early May, starting with eight parks opening for day-use only. Still, closures will likely affect visitation, which will, in turn, reduce revenue through the fourth quarter, typically the busiest season. The public health crisis will also affect the opening of the new Pecos Canyon State Park, previously scheduled for early summer 2020, as the agency will be unable to hire the park staff required.

Self-generated revenue per visitor represents the total revenue collected from day-use and overnight camping fees divided by the number of park visitors. State Park program fees for day-use, camping, and facilities are some of the lowest in the country. EMNRD has undertaken a fee study and is considering changes to the State Parks fee structure, as well as the previously mentioned payment upgrades to improve revenue collection and modernize and enhance the visitor experience.

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

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	FY20 Q3	Rating
Visitors to state parks, in millions	4.7	4.5	4	2	0.7	0.4	Y
Self-generated revenue per visitor, in dollars	1.06	1.02	0.94	0.84	0.89	1.86	Y
Program Rating	G	Y					Y

Mine Reclamation

The Mine Reclamation program assures responsible utilization, reclamation, and safeguarding of lands affected by mining. 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 reclamation if a company owning a mine fails to do so. So far in FY20, all permitted mines are in compliance with this requirement.

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

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	FY20 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	99%	100%	98%	100%	100%	100%	G
Program Rating	G	G					G

Oil and Gas Conservation

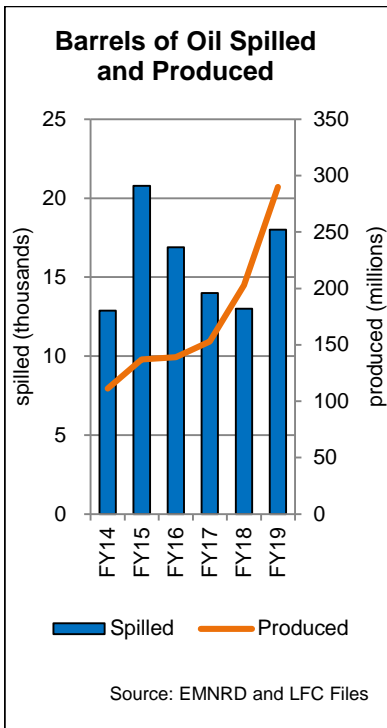
The Oil and Gas Conservation Division (OCD) attributes fewer inspections and a lack of compliance with permits and regulations to compliance officer vacancies. Currently, half of OCD's compliance officer positions are vacant. These positions are located in

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. OCD had a number of positions posted prior to the statewide hiring freeze and has requested exemptions for three positions the agency feels are key to managing OCD’s response to the current health and economic crisis while ensuring environmental protection.

The division continues to process most approved drilling permits within 10 business days. No abandoned wells were plugged by the end of the second quarter due to timing conflicts with the approved plugging contractor, and just 13 were plugged in Q3. The division issued 1,620 violations in FY19, 78 percent of the number issued in FY18 despite significantly increased oil and gas production activity. Violations issued in the third quarter were significantly higher than the second, however, and if the same is true for the fourth quarter, the FY20 total may be closer to FY18’s number. OCD reports that this reduction is related to the decrease in the number of inspections and vacancies in compliance officer and environmental tech positions.

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. 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; the northern part of the brine well is now more than 70 percent filled. Two hundred thirty-one days of site work have been completed without a lost-time injury.



In 2018, 3.5 billion standard cubic feet (scf) of natural gas was vented and 32.7 billion scf was flared in New Mexico, according to data provided to EMNRD from oil and gas operators. For comparison, in 2017 operators reported that the combined total of vented and flared gas was 17 billion scf.

OCD proposed a new performance measure for FY21 to track vented and flared gas. The Governmental Accountability Office reports 40 percent of gas lost through venting and flaring on public lands could be captured economically.

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

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	FY20 Q3	Rating
Inspections of oil and gas wells and associated facilities demonstrating permit and regulatory compliance	42,800	31,043	42,000	10,040	6,264	6,346	R
Application to drill permits approved within 10 business days	99.8%	92.9%	95%	98.9%	96.3%	84%	Y
Abandoned oil and gas wells properly plugged	41	31	50	0	0	13	R
Violations issued*	2,081	1,620	N/A	580	201	696	Y
Program Rating	G	Y					Y

*Measure is classified as explanatory and does not have a target. Rating is based on comparison with past year performance.

Renewable Energy and Energy Efficiency

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.

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 for the third quarter in a row. 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 the third quarter, ECMD provided technical assistance or contract review for 36 ongoing Energy Savings Performance Contract projects and information to seven solar and microgrid projects for potential development in New Mexico. Future performance measures should focus on this program’s goals of reduced energy consumption and expenditures, the creation of green energy jobs, and decreased consumptive water use for power generation.

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

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	FY20 Q3	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	90%	90%	G
Clean energy projects to which the division provided information and technical assistance*	NEW	NEW	N/A	26	28	43	
Program Rating	G	G					G

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