

1 A MEMORIAL

2 REQUESTING THE APPROPRIATE INTERIM COMMITTEE DEALING WITH
3 WATER AND NATURAL RESOURCES TO STUDY THE IMPACTS OF
4 ELECTRICAL RATES ON ENERGY PRODUCTION AND REPORT ITS FINDINGS
5 AND RECOMMENDATIONS.

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7 WHEREAS, oil and gas production is a leading generator
8 of tax revenue supporting the general fund and also is the
9 primary financial support to the state permanent funds; and

10 WHEREAS, oil and gas production is an economic anchor
11 for rural areas of New Mexico, supporting the local tax base
12 and thousands of rural jobs; and

13 WHEREAS, the New Mexico energy policy and implementation
14 plan, finalized in 2015, recommends an all-of-the-above
15 energy approach for New Mexico as a means to build from the
16 state's energy assets and to grow the state's economy; and

17 WHEREAS, in December 2016, the energy, minerals and
18 natural resources department received a grant from the
19 United States department of energy to develop a statewide
20 energy road map over the next two years; and

21 WHEREAS, the development of a statewide energy road map
22 will assist the state in determining how to develop, by the
23 most effective means possible, a more viable energy future
24 for New Mexico; and

25 WHEREAS, the energy road map will provide policy insight

1 and guidance to New Mexico businesses and industries and
2 future goals for economic development related to the energy
3 sector in the state; and

4 WHEREAS, the oil and gas production industry requires
5 large amounts of electric energy to support operations,
6 including production of carbon dioxide to promote tertiary
7 production of oil and gas from aging fields; and

8 WHEREAS, the cost of electric energy to support oil and
9 gas production has a substantial bearing on the level of
10 production of oil and gas; and

11 WHEREAS, some of these businesses receive pass-through
12 wholesale electric power from generation and transmission
13 cooperatives with an industry load equal to or greater than
14 thirty-five megawatts; and

15 WHEREAS, to maintain the competitiveness of oil and gas
16 production in New Mexico and other economic development
17 opportunities in the state and as part of the development of
18 an energy road map for New Mexico, it is important to
19 evaluate the impact of electric power rates on the energy
20 sector and economic development opportunities in the state;

21 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
22 STATE OF NEW MEXICO that the interim committee dealing with
23 water and natural resources be requested to receive testimony
24 regarding the impact of electric power rates on the energy
25 sector and economic development opportunities in the state;

