

1 SENATE MEMORIAL 127

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

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10 A MEMORIAL

11 REQUESTING THE APPROPRIATE INTERIM COMMITTEE DEALING WITH WATER
12 AND NATURAL RESOURCES TO STUDY THE IMPACTS OF ELECTRICAL RATES
13 ON ENERGY PRODUCTION AND REPORT ITS FINDINGS AND
14 RECOMMENDATIONS.

15
16 WHEREAS, oil and gas production is a leading generator of
17 tax revenue supporting the general fund and also is the primary
18 financial support to the state permanent funds; and

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

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

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1 WHEREAS, in December 2016, the energy, minerals and
2 natural resources department received a grant from the United
3 States department of energy to develop a statewide energy road
4 map over the next two years; and

5 WHEREAS, the development of a statewide energy road map
6 will assist the state in determining how to develop, by the
7 most effective means possible, a more viable energy future for
8 New Mexico; and

9 WHEREAS, the energy road map will provide policy insight
10 and guidance to New Mexico businesses and industries and future
11 goals for economic development related to the energy sector in
12 the state; and

13 WHEREAS, the oil and gas production industry requires
14 large amounts of electric energy to support operations,
15 including production of carbon dioxide to promote tertiary
16 production of oil and gas from aging fields; and

17 WHEREAS, the cost of electric energy to support oil and
18 gas production has a substantial bearing on the level of
19 production of oil and gas; and

20 WHEREAS, some of these businesses receive pass-through
21 wholesale electric power from generation and transmission
22 cooperatives with an industry load equal to or greater than
23 thirty-five megawatts; and

24 WHEREAS, to maintain the competitiveness of oil and gas
25 production in New Mexico and other economic development

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1 opportunities in the state and as part of the development of an
2 energy road map for New Mexico, it is important to evaluate the
3 impact of electric power rates on the energy sector and
4 economic development opportunities in the state;

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

10 BE IT FURTHER RESOLVED that the committee be requested to
11 report on the testimony received and any recommendations of the
12 committee based on that testimony prior to December 1, 2017;
13 and

14 BE IT FURTHER RESOLVED that copies of this memorial be
15 transmitted to the public regulation commission, the secretary
16 of economic development, the secretary of energy, minerals and
17 natural resources, the New Mexico rural electric cooperative
18 association, the New Mexico oil and gas association and members
19 of the New Mexico legislative council.

