

<b>LFC Requester:</b>	Helen Gaussoin
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** 2/7/2024

**Bill No:** HM 42

**Sponsor:** Szcepanski  
**Short Title:** Methane Emissions Task Force

**Agency Name and Code**    PRC 430  
**Number:** \_\_\_\_\_  
**Person Writing**    Ed Rilkoff  
**Phone:** 690-7690    **Email** Ed.rilkoff@prc.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
n/a	n/a	n/a	n/a

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
n/a	n/a	n/a	n/a	n/a

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	n/a	n/a	n/a	n/a	n/a	n/a

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: This memorial proposes to create a working group or Methane Emissions Task Force, to develop rules and legislative recommendations to reduce methane gas emission from New Mexico’s regulated utilities. The Public Regulation Commission (PRC) is the agency responsible for regulating electric and natural gas utilities in New Mexico. The memorial is not clear as to whether the focus of the Task Force is on electric utilities using natural gas for generation, natural gas utilities furnishing natural gas to end use customers for heating or other purposes, or both.

Methane is a greenhouse gas and is the largest component of natural gas. It is responsible for one-third of net global warming since the industrial revolution and is approximately eight times more powerful than carbon dioxide in warming the atmosphere over a twenty-year period. Reducing methane emissions resulting from the operations of regulated utilities has enormous potential to mitigate emissions by 2030.

One hundred and fifty-five countries including the U.S. have pledged to reduce methane emissions across all sectors by at least 30% below 2020 levels by 2030. Potential methane reductions in New Mexico could result from:

- Reductions in natural gas purchases from New Mexico’s utilities;
- Upstream reductions in methane emissions caused by the production, transportation and marketing of natural gas purchased by New Mexico’s utilities;
- Proven technologies and practices in the oil and gas industry that could reduce greenhouse gas emissions by up to 200 million tons per year or 45%, by 2030.

Since methane has a short atmospheric lifetime, the benefits of reductions are quickly realized and include: slowing the rate of atmospheric warming; helping to limit dangerous climate feedback loops such as melting polar ice caps and rises in sea level; and providing health, environmental and health benefits from reducing ground-level ozone.

The greatest opportunities for reductions in methane emissions are in the oil and gas sector. Regulatory frameworks are needed to reduce methane emissions in the production, transportation and marketing of natural gas purchased by New Mexico’s regulated utilities.

The department of environment has been requested to convene a working group of state

experts and stakeholders to develop rules and recommendations to reduce methane emissions in the production, transportation and marketing of natural gas purchased by New Mexico's regulated utilities. The working group will develop proposals for rules, rate recovery mechanisms and legislative recommendations that will encourage regulated utilities to purchase fuels with the lowest possible amount of methane emissions.

The working group is requested to begin its work on or before April 1, 2024, meet no fewer than 5 times prior to October 1, 2024, and present proposals for rules and legislative recommendations to the appropriate legislative committee dealing with natural resources and regulate utilities prior to November 2, 2024.

The agencies identified for membership in the Methane Emissions Task Force include the NM Governor's Office, EMNRD, NMED, NMEDD, the PRC and the appropriate legislative committee dealing with natural resources and regulated utilities.

## **FISCAL IMPLICATIONS**

There is no cost to implement this bill. Members of the proposed Methane Emissions Task Force will be sponsored by the participating agencies.

## **SIGNIFICANT ISSUES**

## **PERFORMANCE IMPLICATIONS**

None identified.

## **ADMINISTRATIVE IMPLICATIONS**

None identified.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

None identified.

## **OTHER SUBSTANTIVE ISSUES**

None Identified.

## **ALTERNATIVES**

None identified.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The status quo would continue.

## **AMENDMENTS**

N/A