

**MINUTES
of the
FIRST MEETING
of the
RADIOACTIVE AND HAZARDOUS MATERIALS COMMITTEE**

**June 11, 2007
Room 307, State Capitol
Santa Fe**

The first meeting of the radioactive and hazardous materials committee was called to order by Representative John A. Heaton, chair, on June 11, 2007 at 10:10 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Rep. John A. Heaton, Chair
Sen. Richard C. Martinez, Vice Chair
Rep. William J. Gray
Sen. John T.L. Grubestic
Sen. Gay G. Kernan
Rep. Antonio Lujan
Rep. Jim R. Trujillo
Rep. Jeannette O. Wallace

Absent

Sen. Vernon D. Asbill
Rep. Manuel G. Herrera
Sen. Carroll H. Leavell

Advisory Members

Sen. Rod Adair
Rep. Donald E. Bratton
Sen. John Pinto
Rep. Nick L. Salazar

Rep. Thomas A. Anderson
Sen. Mary Jane M. Garcia
Sen. William H. Payne
Rep. Jeff Steinborn
Rep. Peter Wirth

Staff

Evan Blackstone
Jeret Fleetwood
Randi Johnson

Guests

The guest list is in the original meeting file.

Committee Business

Representative Heaton began the meeting by welcoming members of the public and having the committee members and staff introduce themselves. Representative Heaton then explained that he believes that during the interim, the committee should develop positions as to where the state should be moving with regard to energy policy. He indicated that the committee should address energy issues within the context of the challenges of climate change and achieving energy independence and energy security. Representative Heaton also noted that the

committee needs to study the budgets of the New Mexico department of environment (NMED) and the energy, minerals and natural resources department (EMNRD) in order to understand the budget needs and the reconciliation process between executive and legislative budgets.

NMED: Update

Jon Goldstein, director of the NMED's water and waste management division, and Jim Norton, director of the NMED's environmental protection division, began by informing the committee that Ron Curry, secretary of environment, and Cindy Padilla, deputy secretary of environment, unfortunately would not be able to appear before the committee due to conflicts.

Mr. Goldstein stated that the 2007 legislative session was successful for the NMED and he went on to review legislation affecting the NMED that passed during the session. He briefly summarized for the committee a few of the key bills that became law, including the Surface Owners Protection Act, a near doubling of the renewable energy portfolio standard and increased mercury emission controls. Mr. Goldstein also pointed out that the governor included in the NMED's budget \$3.3 million for river ecosystem restoration.

Mr. Goldstein reviewed a few of the major areas the NMED is addressing in 2007. First, he discussed New Mexico's involvement in the Rocky Mountain Low-Level Radioactive Waste Compact. He explained that Secretary Curry is currently chair of the Rocky Mountain low-level radioactive waste board and that the board will have some oversight over the transport of waste from the uranium enrichment facility run by Louisiana energy services (LES). Mr. Goldstein noted that the agreement between New Mexico and LES dictates that the waste generated by the facility must be transferred out of the state. Uranium mining is another important issue affecting the state that the NMED partially regulates. Mr. Goldstein discussed the NMED's involvement in uranium mining and stated that NMED and EMNRD officials recently toured uranium mining sites in the Grants area. Additionally, Mr. Goldstein informed the committee that the NMED will continue its role as an enforcement authority pursuant to a federal consent order in the cleanup of contaminated sites at Los Alamos national laboratory. In closing, Mr. Goldstein highlighted for the committee a major legislative priority for the NMED in the 2008 legislative session. He explained that changes to the federal Energy Policy Act require changes to be made at the state level regarding standards for petroleum storage tanks. The changes require amendments to the Water Quality Act and the Hazardous Waste Act. Mr. Norton informed the committee that the NMED has convened a stakeholder group to develop and review legislation.

Mr. Norton then discussed climate change with the committee. He explained that the climate change study group appointed by the governor recently made 69 recommendations, 67 of which were unanimous, for reducing greenhouse gas (GHG) emissions in New Mexico. Mr. Norton went on to note that while some of the recommendations were already being implemented, other recommendations addressed emission reduction standards that would take longer to implement. He also explained that New Mexico is part of a regional initiative to reduce GHG emissions. Finally, Mr. Norton informed the committee that the three biggest sources of GHG emissions in New Mexico are coal-fired power plants, carbon dioxide from the

production of oil and gas, and transportation vehicles. He indicated that the governor's goal is to reduce in GHG emissions to 75% of 2000 levels by 2050.

Questions and comments included:

- emission reduction goals for New Mexico;
- cap and trade agreements and their mechanics;
- current standards in place for underground petroleum storage tanks;
- percentage of stations in the state that are faced with the cost of complying with new petroleum storage tank standards;
- whether emission standards for New Mexico companies places them at a disadvantage when competing against companies from China and India;
- burden placed on rural areas by the NMED fees and rules relating to septic tanks;
- nuclear power and the reduction of GHG emissions;
- a proposed NMED rule relating to reporting of GHG emissions; and
- the danger of the legislature delegating authority to a bureaucracy to implement rules and the need for continued legislative oversight.

Committee Business — Interim Work Plan and Meeting Schedule

The committee developed a work plan and meeting schedule. The committee reviewed a draft work plan and Representative Heaton reminded the committee of its statutory duties. The committee members offered input on topics the committee should consider during the interim. Members reviewed the meeting dates and some members advocated changing the proposed October meeting date due to conflicts. Representative Heaton also asked the committee to allow him to work with staff to develop a work plan that would take testimony from experts regarding energy issues.

On a motion made and seconded, the committee approved the meeting dates with the exception of the proposed October meeting date. The committee authorized Representative Heaton to work with staff to develop a work plan and an alternative October meeting date.

EMNRD: Update

Joanna Prukop, secretary of energy, minerals and natural resources, provided the committee with an update regarding the work of the EMNRD. Secretary Prukop began her presentation by summarizing the legislation that affected or was of interest to the EMNRD during the 2007 legislative session. She emphasized that the session was extremely productive and that the legislature should be commended for adopting a comprehensive clean energy agenda. Specifically, Secretary Prukop discussed the establishment of the nation's first renewable energy transmission authority, the passage of amendments to the renewable energy production tax credit that make it more accessible to renewable energy project developers, an increase in the renewable portfolio standard and the establishment of sustainable building tax credits.

Next, Secretary Prukop reviewed Governor Richardson's executive orders relating to clean energy. She explained that the orders established greenhouse gas reduction targets, required the use of renewable fuels in state government vehicles, developed standards for

energy-efficient "green buildings" to be used by state government and public schools and created a market-based GHG gas emission registry and reduction program.

Secretary Prukop also reviewed for the committee the increased efforts of the oil conservation division (OCD) of the EMNRD to enforce compliance with the Oil and Gas Act and the rules associated with it. She explained that previous administrations entered into few compliance orders with oil and gas operators and collected relatively small amounts in penalties, but that both orders and penalty collections have increased dramatically under Governor Richardson.

Finally, Secretary Prukop outlined the EMNRD's involvement with uranium mining. She explained that the Mining and Minerals Division (MMD) of the EMNRD regulates hard-rock mines in the state, including uranium mines. She noted that while there are no uranium mines of any sort currently operating in New Mexico, there has recently been a resurgence in uranium mining activity elsewhere due to a dramatic increase in the price of uranium. Secretary Prukop informed the committee that the EMNRD has approved some permits to conduct exploration activities. She concluded by discussing some of the concerns associated with uranium mining activities in New Mexico and the challenges it would present for the EMNRD.

Questions and comments included:

- whether technology to develop wood pellets as a fuel source would qualify for the energy innovation fund;
- a biodiesel project using algae;
- location of uranium deposits on Native American land in northwestern New Mexico and the EMNRD's jurisdiction;
- reclamation of old uranium mines;
- uses of produced water from oil and gas mines;
- OCD fines for noncompliant oil and gas operators;
- the Pecos river canyon master plan process;
- the EMNRD's focus on the renewable energy transmission authority
- power pool agreements; and
- mine reclamation efforts and related water contamination.

There being no further business, the committee adjourned at 2:40 p.m.