

**MINUTES
of the
SECOND MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT AND POLICY COMMITTEE**

**August 21-22, 2024
San Juan College
School of Energy, Merrion Room
5301 College Boulevard
Farmington**

The second meeting of the Economic and Rural Development and Policy Committee was called to order by Representative Doreen Y. Gallegos, chair, on Wednesday, August 21, 2024, at 9:43 a.m. in the Merrion Room of the San Juan College School of Energy in Farmington.

Present

Rep. Doreen Y. Gallegos, Chair
Sen. Carrie Hamblen, Vice Chair
Rep. Janelle Anyanonu
Sen. Ron Griggs
Rep. Charlotte Little
Rep. Tara L. Lujan
Rep. Patricia A. Lundstrom (8/22)
Rep. Kristina Ortez
Rep. Martin R. Zamora

Advisory Members

Rep. Eliseo Lee Alcon (8/21)
Rep. Cynthia Borrego
Rep. Mark Duncan
Rep. D. Wonda Johnson (8/21)

Absent

Rep. Gail Armstrong
Sen. Crystal Brantley
Rep. Ambrose Castellano
Rep. Joshua N. Hernandez
Rep. Jenifer Jones
Rep. Jimmy G. Mason

Rep. Anthony Allison
Sen. William F. Burt
Sen. Katy M. Duhigg
Rep. Joy Garratt
Sen. Siah Correa Hemphill
Rep. Pamelya Herndon
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Willie D. Madrid
Sen. Antonio Maestas
Rep. Alan T. Martinez
Rep. Marian Matthews
Rep. Tanya Mirabal Moya
Rep. Rod Montoya
Sen. George K. Muñoz
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Rep. Andrea Romero

Rep. Patricia Roybal Caballero
Sen. Joshua A. Sanchez
Sen. Benny Shendo, Jr.
Sen. Elizabeth "Liz" Stefanics
Rep. Reena Szczepanski
Sen. Bill Tallman

Guest Legislators

Senator Steven P. Neville
Senator William E. Sharer (8/22)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Andrea Martinez, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, August 21

Welcome and Introductions (9:43 a.m.)

Representative Gallegos thanked the community for hosting the committee, and members of the committee introduced themselves.

Welcome and State of the Local Economy (9:54 a.m.)

Nate Duckett, mayor, City of Farmington, spoke about Farmington's economic outlook and the city's goal of economic diversification. He discussed revenue from taxes and the city's use of a community transformation and economic diversification fund to complete numerous projects. Tim Gibbs, chief executive officer (CEO), Four Corners Economic Development, Inc., presented on various economic features of San Juan County, including statistics on employment,

industries and jobs, as well as opportunities for future economic growth, such as a freight rail line to the Four Corners area. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=1>.

Educating the Workforce and Developing Employment Opportunities (11:16 a.m.)

Toni Pendergrass, Ph.D., president, San Juan College, presented broadly about San Juan College, statistics on its students and the college's mission, vision, values, programs, events, future goals and developments. Becky Rowley, Ph.D., president, Santa Fe Community College, and president, New Mexico Independent Community Colleges, and Vanessa Hawker, Ph.D., executive director, New Mexico Independent Community Colleges, spoke about the initiatives and reach of the New Mexico Independent Community Colleges as well as the educational programs offered and achievements that are related to economic development. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=2>.

Oil and Gas Industry: Taxes and Clean Energy Transition (12:24 p.m.)

Missi Currier, president and CEO, New Mexico Oil and Gas Association, and Andrea Felix, senior regulatory advisor, New Mexico Oil and Gas Association, spoke about New Mexico's energy landscape, the state's national role in oil and gas production, the revenue generated from oil and gas and the association's programs to give back to the communities of the state. The presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=3>.

Oil and Gas Royalty Rates (1:13 p.m.)

Stephanie Garcia Richard, commissioner of public lands, State Land Office, and Greg Bloom, assistant commissioner of mineral resources, State Land Office, spoke about the current royalty rates, state trust lands' earnings, a proposed royalty rate bill and the role of the State Land Office. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=4>.

Clean Energy Transition in New Mexico (2:06 p.m.)

Varner Seaman, director of legislative and regulatory affairs, Pattern Energy Group, discussed developed and financed wind and transmission projects in New Mexico. Zoe Lees, regional vice president of regulatory policy, Xcel Energy Services, Inc., and Justin Smiley, director of customer relations, Xcel Energy Services, Inc., discussed the economic growth of the

business in the company's service area, the changing mix of energy sources in its system and the regulatory process. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=5>.

New Mexico State Parks (3:15 p.m.)

Toby Velasquez, director, State Parks Division, Energy, Minerals and Natural Resources Department, spoke about the State Parks Division and the economic impact of outdoor recreation in New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=6>.

Tour of Navajo Lake Marina (4:00 p.m.)

Members of the committee and staff toured Navajo Lake Marina.

Recess

The meeting recessed at 6:00 p.m.

Thursday, August 22

Reconvene and Welcome (9:18 a.m.)

Representative Gallegos welcomed committee members and guests to the meeting.

Alternative Energy Development: Hydrogen and Carbon Capture (9:19 a.m.)

Mark Pedrotty, president and CEO, CO2Rescue, and Senator Sharer presented about using hydrogen as a source of energy and carbon capture projects. They discussed costs, what other states are doing and the potential impact on economic development. The presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=7>.

Approval of Minutes (10:42 a.m.)

On a motion duly made and seconded, the minutes of the May 31, 2024 meeting were unanimously approved.

Outdoor Recreation Economy (10:43 a.m.)

Karina Armijo, director, New Mexico Outdoor Recreation Division, Economic Development Department, discussed the division and its programs, funding, challenges and opportunities. William Blackstock, owner, Far Flung Adventures, discussed the program and its courses, trips, grants and benefits. Kerrie Romero, executive director, New Mexico Council of

Outfitters and Guides, spoke about the hunting and fishing economy of the state. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=8>.

Central New Mexico Community College (CNM) Outdoor Recreation Accelerator (12:05 p.m.)

Jeffrey Bargiel, interim senior director, Entrepreneurship, CNM Ingenuity, presented about CNM's Accelerator program, how it works and the progress of past program cohorts. He also spoke about the Adventure Pitch competition of the New Mexico Outdoor Recreation Division of the Economic Development Department. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=9>.

State Agency Updates: Current and Future Initiatives Impacting Business (1:04 p.m.)

Jennifer Saavedra, deputy secretary, Tourism Department, presented about the department's efforts to promote tourism and the state's tourism economy. Mark Roper, acting secretary, Economic Development Department, provided an update on the department and its current and future initiatives. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ERDPC&Date=8/21/2024&ItemNumber=10>.

Public Comment (2:18 p.m.)

A list of individuals making public comment is available in the meeting file.

Adjournment

There being no further business before the committee, the meeting adjourned at 2:23 p.m.