

LFC Requester:	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 2-7-24
Bill No: HM 42

Sponsor: Rep. Reena Szczepanski
Short Title: METHANE EMISSION TASK FORCE

Agency Name and Code State Land Office - 539
Number: _____
Person Writing Sunalei Stewart
Phone: 505-827-5755 **Email** sstewart@slo.state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
None	None		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
None	None	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact		

(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:

In recognition of the impact of methane emissions on global warming, the use by New Mexico utilities of natural gas produced in New Mexico, the technologies and practices available to reduce the greenhouse gas emissions of the oil and gas industry, and the potential benefits of reduced methane emissions, the memorial requests that the New Mexico Environment Department convene a working group of state experts and stakeholders to develop proposals for rules and legislative recommendations aimed at reducing methane emissions in the production, transportation and marketing of natural gas purchased by regulated utilities in the state. The working group will also develop proposals aimed at encouraging regulated utilities to purchase fuels with the lowest possible associated methane emissions.

The working group would begin to meet by April 1, 2024, meet at least five times before October 1, 2024, and present its findings to the appropriate legislative committee by November 1, 2024.

The memorial does not specify which stakeholders should be included in the working group, but requires copies of the memorial to be transmitted to the Governor; the Secretary of Energy, Minerals, and Natural Resources; the Secretary of the Environment; the Secretary of Economic Development; the Chief of Staff of the Public Regulation Commission; and the appropriate legislative committee.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

The New Mexico State Land Office (NMSLO) receives a significant number of requests from responsible operators of oil and gas wells on state trust lands to shut in operations to prevent venting and flaring in instances where midstream operators lack of takeaway capacity, when lines break, and when there are other challenges preventing the transportation of natural gas. The NMSLO believes any working group should address the capabilities and standards of the midstream operators operating in the state to help ensure that there is sufficient takeaway capacity.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The Commissioner of Public Lands should be among those that would receive copies of the memorial since a significant percentage of oil and gas operations in New Mexico occur on state trust lands. The Commissioner is not currently named in the memorial.

The NMSLO has contributed to methane reduction efforts in New Mexico in a number of ways, including during Oil Conservation Committee (OCC) rulemaking on methane waste in 2020 and 2021, both as a direct participant in the rulemaking and via the NMSLO seat on the OCC.

Generally, the NMSLO is supportive of efforts to reduce methane waste because it is a potent greenhouse gas and because such waste means lost dollars to the NMSLO and the school kids, hospitals and other beneficiaries it supports.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS