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Fiscal Year 2023 STRATEGIC PLAN



STATE OF NEW MEXICO

AGENCY

Energy, Minerals and Natural
Resources Department

Leadership



A note from EMNRD Cabinet Secretary Sarah Cottrell Propst

At the start of this administration, Governor Michelle Lujan Grisham set an ambitious agenda for the Energy, Minerals and Natural Resources Department. I am proud to say two and a half years later we have accomplished almost everything on the list, from passing the Energy Transition Act to implementing a nation-leading natural gas waste rule. I'm also proud to say that the COVID-19 pandemic didn't slow us down. Our dedicated staff continued to engage with the public, hold hearings, and achieve our mission using COVID-safe practices and virtual meetings.

Having accomplished so much in such a short amount of time, we now look to what's ahead. New Mexico is already seeing the impacts of a changing climate with prolonged drought and longer and more intense fire seasons. The agency is well on its way to becoming the national model for an energy and natural resource agency with deep policy expertise, transparent processes, and a cohesive mission that balances conservation, development, and responsible use.

Our goals for FY23 can be organized into four main categories: responsible industry oversight, addressing climate change, statewide economic diversification, and conservation and natural resources protection. We will accomplish these goals by expanding our policy expertise, efficiently regulating industry, bringing new clean energy business to New Mexico, and expanding the outdoor recreation economy. We also aim to make EMNRD resilient by continuing to implement efficient processes and securing additional funding.

The FY23 strategic plan highlights our priorities for the next fiscal year, all of which are meant to benefit New Mexicans and visitors to the Land of Enchantment.

Sincerely,

Sarah Cottrell Propst



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Vision, Mission and Values

OUR VISION

To become the national model for an energy and natural resource agency with deep policy expertise, transparent processes, and a cohesive mission that balances conservation, development, and responsible use.

OUR MISSION

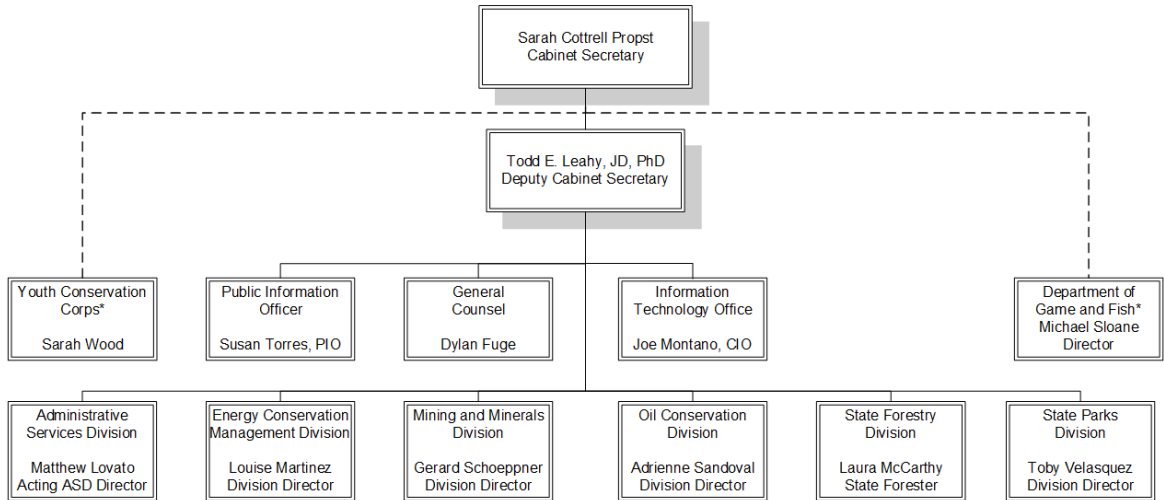
To position New Mexico as a national leader in the energy and natural resource areas for which the department is responsible.

OUR GUIDING VALUES

By using technology, elevating our partnerships, and basing our practices on the best science available, EMNRD can be a leader in natural resource management.

Organizational Structure

Energy, Minerals and Natural Resources Department



* Administratively attached with no direct budget support from EMNRD.

The New Mexico Energy, Minerals and Natural Resources Department (EMNRD) was created in 1987 through a merger between the Natural Resources Department and the Energy and Minerals Department. The individual administrative pieces of the department have been around much longer. The State Parks Commission was established in 1933, followed by the Oil Conservation Commission in 1935. The Department of State Forestry was created in 1957. The Coal Surface Commission was formed in 1972. The New Mexico Youth Conservation Corps was established and administratively attached to EMNRD in 1992. The following year (1993) marked the creation of the Mining Commission. Finally, the New Mexico Department of Game and Fish is attached to EMNRD for administrative support purposes only.

The present-day Energy, Minerals and Natural Resources Department consists of six divisions: the Energy Conservation and Management Division (ECMD) responsible for renewable energy and energy efficiency; the Mining and Minerals Division (MMD) responsible for hard rock mine regulation, mine reclamation, and abandoned mine lands; the Oil Conservation Division (OCD) responsible for the oversight of New Mexico's oil and gas industry; the State Forestry Division (SFD) responsible for forest health and wildland fire management; the State Parks Division (SPD) and the Administrative Support Division (ASD). The Office of the Secretary contains the Public Information Office, the Office of the General Counsel, and the Information Technology Office. EMNRD employs approximately 475 people at 48 different work sites across the state.



RESPONSIBLE INDUSTRY OVERSIGHT

Purpose

New Mexico has a long history of oil, gas, and mining activities. By responsibly permitting and regulating almost every aspect of the oil and gas production chain, EMNRD's Oil Conservation Division (OCD) facilitates state revenues and high-paying jobs while protecting human health and the environment. Similarly, EMNRD's Mining and Minerals Division (MMD) regulates mining industry activities from exploration through post-mining reclamation. OCD and MMD respond to evolving industry technologies and practices, implement the highest level of environmental and human health protections – including OCD's new rules to address spills and natural gas waste – and ensure that new and existing development is done in a safe and responsible manner.

Benefits to New Mexicans

- Increased state revenue
- Protect public health and the environment
- Increased collaboration between industry and environmental community
- Safeguarding orphaned well and abandoned mine sites
- Increased enforcement to ensure responsible industry actions
- Improved regulatory efficiency

2023 Budget in thousands and FTEs

- **EMNRD TOTAL: \$82,055.7**
- **Industry Oversight: \$23,616.2**
- **FTEs: 128**



RESPONSIBLE INDUSTRY OVERSIGHT

Goals and Objectives

- Implement new rules
- Increase compliance and enforcement oversight
- Reduce the amount of waste in the oil and gas industry
- Increase the number of retired wells plugged
- Develop seismic protections related to the reinjection of produced water from oil and gas production
- Increase reclamation and remediation statewide
- Expand technological and data infrastructure
- Develop and expand a professional workforce through morale boosting, cross training, and professional development opportunities
- Complete statewide abandoned mine lands inventory

Strategic Actions

- Active recruiting to reduce vacancy rates
- Increase the number of field inspections
- Oversee transparent and collaborative rulemaking processes
- Expand reclamation and remediation work
- Improve seismic monitoring
- Increase transparency through public access to data

Performance Measures

Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation
Percent of inspections of active mining operations showing compliance with approved permits and regulations
Number of inspections of oil and gas wells and associated facilities
Volume of flared and/ or vented gas
Size of active oil spills in barrels



STRENGTHENING PROGRAM SUPPORT

Purpose

EMNRD’s Program Support includes back-office support from Administrative Services, Legal, the Information Technology Office, and the Office of the Secretary which all support the programmatic responsibilities at EMNRD. With New Mexico poised to receive an influx of federal funding over the next few years, EMNRD’s Program Support Division will be called upon to support high-priority projects funded through federal programs. EMNRD’s Administrative Services Division also aims to engage with the PRC to ensure that statewide renewable energy objectives are met and supported.

Benefits to New Mexicans

- Improved policy and resource expertise
- Transparent, publicly accessible processes and data
- Efficient industry regulation
- Improved data availability and accessibility

Budget in thousands and FTE

EMNRD TOTAL: \$82,055.7

PROGRAM SUPPORT: \$6,018.3

FTEs: 49



STRENGTHENING PROGRAM SUPPORT

Program Goals and Objectives

- Improved communication between support and programmatic divisions
- Improved financial planning across the agency
- More efficient internal processes
- Break down siloed nature of agency

Strategic Actions

- Create internal guidelines and deadlines with clear direction for divisions
- Standardize forms
- Improve use of technological resources
- Improve collaboration with divisions in decision-making process

Performance Measures

A more productive Division, and improved response times to other divisions
Clear, consistent information delivery to divisions
Stability and diversity in the backbone of the agency
ASD, ITO, and OCG are involved in early stages of planning
Improved time reporting to outside stakeholders



ADDRESSING CLIMATE CHANGE

Purpose

Achieving the science-based greenhouse gas reduction targets set forth in the Governor’s Climate Change and Energy Waste Prevention Executive Order (2019-003) requires a whole-of-government approach, and EMNRD’s Energy Conservation and Management Division (ECMD) coordinates those efforts. ECMD’s work makes New Mexico a climate and energy leader by advancing building energy efficiency, decarbonizing and electrifying the transportation sector, ensuring Energy Transition Act compliance, integrating grid modernization initiatives, and certifying tax credit applications for multiple state programs (e.g., solar and sustainable buildings).

Benefits to New Mexicans

- Clean energy-powered economy
- Sustainable environment
- Lower greenhouse gas emissions

Budget in thousands and FTE

EMNRD Total: \$82,055.7

CLIMATE: \$4,063.4

FTEs: 21



ADDRESSING CLIMATE CHANGE

Program Goals and Objectives

- Reduce statewide greenhouse gas emissions
- Support modernization of New Mexico’s electric grid and ensure transmission of renewable energy
- Explore regional electricity markets for New Mexico renewable energy
- Encourage energy efficiency initiatives including building codes, combined heat and power, clean energy performance financing, and clean energy incentives programs
- Support electrification in the transportation sector including electric vehicles, charging stations, and infrastructure

Strategic Actions

- Facilitate development of EV infrastructure
- Provide educational trainings for energy efficiency and building codes
- Increase public access to renewable energy data
- Outreach to clean energy companies about NM opportunities, in partnership with the Economic Development Department

Performance Measures

Number of clean energy projects to which the division provided information and technical assistance
Percent of completed tax credit applications reviewed within thirty days of receipt



STATEWIDE ECONOMIC DIVERSIFICATION

Purpose

With 35 State Parks across New Mexico, EMNRD’s State Parks Division plays a crucial role in expanding the state’s outdoor recreation economy. As we’ve seen over the past year and a half, more New Mexicans are heading outdoors to recreate and in the next fiscal year, State Parks will focus on improving the visitor experience by expanding automated systems such as online reservations, self-pay kiosks, improving park infrastructure, installing solar panels, and staffing the division for a sustainable future with the employees needed to protect our natural resources and keep the public safe. Additionally, EMNRD is partnering with New Mexico community colleges to train new workers on the state’s updated energy building codes. EMNRD serves on the newly enacted Sustainable Economy Task Force, and ECMD is working to bring new clean energy companies to New Mexico.

Benefits to New Mexicans

- Modernized state parks experience
- Fully staffed state parks to improve visitor experience and safety
- Support for NM communities through the Land and Water Conservation Fund and outdoor education opportunities
- Diverse jobs and economic opportunities

Budget in thousands and FTE

EMNRD TOTAL: \$82,055.7

ECONOMIC DIVERSIFICATION: \$30,113.4

FTEs: 234.6



STATEWIDE ECONOMIC DIVERSIFICATION

Program Goals and Objectives

- Modernize fee collection at state parks
- Electric vehicles and infrastructure in state parks
- Green design and development in state parks
- Explore opportunities for public/private partnerships in state parks
- Expand land holding of state parks
- Improve budget and staffing availability across the State Parks division

Strategic Actions

- Improve visitor experience across 35 state parks
- Leverage funding to improve public access
- Improve employment opportunities in rural communities
- Direct investment in rural NM communities
- Support for outdoor recreation in rural NM
- Improve educational opportunities by offering outdoor classroom opportunities

Performance Measures

Number of visitors to state parks
Amount of self-generated revenue per visitor, in dollars
Number of new proposed Rio Grande Trail miles to the Rio Grande Trail Commission
Number of newly designated Rio Grande Trail miles



CONSERVATION AND NATURAL RESOURCE PROTECTION

Purpose

The duration and intensity of wildfires has increased so much that New Mexico’s fire “season” is now year-round. In addition, the potential for uncontrollable mega-fires that damages communities and water sources is substantially increased for FY23 as the state’s drought persists and a dry winter is forecasted. More fires lead to more burned areas that must be reclaimed, so the Forestry Division must establish a statewide seed collection program for climate-ready reforestation that will repair damage to burned areas and sequester carbon. Climate change also impacts endangered plants, whose populations are declining. In FY23 the Forestry Division will continue our work restoring and conserving natural lands.

Benefits to New Mexicans

- Fire-adapted communities
- Sustainable water supply and wildlife habitat
- Forest and natural working lands sequestering carbon
- Improved output of wood products
- Better service and technical assistance for all New Mexicans

Budget in thousands and FTE
EMNRD TOTAL; \$82,055.7
CONSERVATION: \$18,244.4
FTEs: 90



CONSERVATION AND NATURAL RESOURCE PROTECTION

Program Goals and Objectives

- Ensure resilient forests statewide for future generations
- Improve proactive wildland fire programs and mitigate impacts post-fire
- Build statewide reforestation capacity
- Sequester carbon in forests and prevent wildfire carbon release
- Improve stakeholder engagement

Strategic Actions

- Seed collection and banking for climate-ready seeds
- Increased nursery capacity to 5 million seedlings
- Expanded land conservation programs
- Prescribed burning training and certification programs developed
- Shared Stewardship portal and planning tool developed
- Robust fire department trainings and grant programs

Performance Measures



Number of acres treated in New Mexico's forests and watersheds

Percentage of forest acres treated in high priority watersheds

Percentage of forest and watershed restoration accomplished within high priority watersheds

Number of nonfederal wildland firefighters provided professional and technical incident command system training

Percentage of wildland firefighting equipment and training provided to local communities and fire departments in medium/high threat response areas



Appendix I: Statutory Authorities by Division

EMNRD created by §9-5A-1 through 9-5A-7 NMSA 1978

- **Mining and Minerals Division**

- Surface Mining Act, 69-25A-1 to 69-25A-36
- NM Mining Act, 69-36-1 to 69-36-20
- Abandoned Mine Lands Reclamation Act, 69-25B-1 to 69-25B-12;
- Mine Registration and Reporting 69-5-7; 69-11-1 to 69-11-3; 69-26-1 to 69-26-3; 69-27-3
- Consolidation of small tracts for mineral development 69-9-1 to 69-9-10

- **Oil Conservation Division**

- Oil and Gas Act 70-2-1 to 70-2-39
- Statutory Unitization Act 70-7-1 to 70-7-21
- Produced Water Act 70-13-1 to 70-13-5
- Water Quality Act (constituent agency) 74-6-1 to 74-6-17
- Office of Interstate Natural Gas Markets 70-11-1 to 70-11-8
- Tax: Distribution to oil and gas reclamation fund 7-1-6.21; Oil and Gas Severance Tax Act 7-29-1 to 7-29-23; Enhanced Oil Recovery Act 7-29A-1 to 7-29A-5; Natural Gas and Crude Oil Production Incentive Act 7-29B-1 to 7-29B-6; Oil and Gas Emergency School Tax Act 7-31-1 to 7-31-27

- **Energy Conservation and Management Division**

- Tax Credits: Solar Market Development 7-2-18.14; Renewable Energy Production 7-2-18.18 and 7-2A-19; Sustainable building 7-2-18.24 and 7-2A-21; Geothermal ground coupled heat pumps 7-2-18.29 and 7-2A-26; Agricultural biomass 7-2-18.29 and 7-2A-26; New sustainable building 7-2-18.29 and 7-2A-28; Biodiesel blending facility 7-9-79.2
- Energy Efficiency and Renewable Energy Bonding Act, 6-21D-1 to 6-21D-10
- Public Facility Energy Efficiency 6-23-1 to 6-23-10
- Alternative Fuels Acquisition Act 13-1B-1 to 13-1B-7 and 9-5A-9
- Solar Collector Standards Act 71-6-6 to 71-6-10
- Geothermal Resources Development Act 71-9-1 to 71-9-11
- Advanced Energy Technologies Economic Development Act 71-7-1 to 71-7-7



Appendix I: Statutory Authorities by Division

EMNRD created by §9-5A-1 through 9-5A-7 NMSA 1978

- **State Forestry Division**
 - Forest Conservation Act 68-2-1 to 68-2-28
 - Forest Re-Leaf Act 68-2-29 to 68-2-33
 - Timber Act 68-1-1 to 68-1-5
 - Natural Lands Protection Act 75-5-1 to 75-5-6
 - Natural Heritage Conservation Act 75-10-1 to 75-10-9
 - Land Conservation Incentives Act 75-9-1 to 75-9-6; tax credits 7-2-18.10 and 7-2A-8.9
 - Watershed Restoration Act 9-5A-10

- **State Parks Division**
 - State Parks Division 16-2-2 to 16-2-33
 - State Trails System Act 16-3-1 to 16-3-9
 - Outdoor Recreation Act 16-1-1 to 16-1-4
 - Boating Act 66-12-1 to 66-12-23
 - Boating While Intoxicated Act 66-13-1 to 66-13-13
 - Rio Grande Trail Commission 9-5C-1



Appendix II: Activities by Division

- **Administrative Services Division (ASD)**
 - provides program support to the employees in every division of the Energy, Minerals and Natural Resources Department. The division supports the department and its employees in all aspects of budget, financial reporting and compliance, purchasing, fixed assets, loss control, assignment of rights to purchase EMNRD vehicle gas and services, and oversight of building lease requirements
- **Energy Conservation and Management Division (ECMD)**
 - provides the Renewable Energy and Energy Efficiency Program of EMNRD. The Division oversee Statewide energy conservation efforts including the use of alternative fuels. These fuels include solar, wind, geothermal, and biomass resources. This is accomplished via partnerships with private businesses, higher education universities, and research laboratories to invest in clean energy.
 - The Division serves as the United States Department of Energy state administering agency for federal energy grants.
- **State Forestry (SFD)**
 - is responsible for the protection of all State Forests. The division is also responsible for statewide fire management and suppression activities as well as overall tree health. Finally, the division oversees all forest and watershed restoration efforts.
- **Mining and Minerals Division (MMD)**
 - MMD enforces and administers laws and regulations relating to mine safety, coal surface mine reclamation and abandoned mine lands reclamation.
 - MMD collects information regarding production and value of production, persons employed, mining equipment and methods and any other information as may be reasonably required
- **Oil Conservation Division (OCD)**
 - oversees all oil and gas drilling operations in the State. This is accomplished by issuing permits to drilling companies, inspecting drilling operations, protecting mineral rights, and preventing freshwater contamination.
- **State Parks (SPD)**
 - oversees the operations of 34 State Parks across the State. These State Parks are designed to protect and preserve the State's natural environment.