



Interfaith Power & Light New Mexico & El Paso Region

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September 25, 2021

Chair Phoebe Suina and
New Mexico Environmental Improvement Board Members
% Pamela Jones, Hearing Administrator
1190 Saint Francis Drive, Suite S2102
Santa Fe, New Mexico 87505
pamela.jones@state.nm.us

Dear Chair Suina and New Mexico Environmental Improvement Board Members,

The UN Secretary-General António Guterres' called the recent UN Intergovernmental Panel Climate Change report a "code red for humanity". As faith leaders, we understand that code red means we all must take urgent action to care for life and our sacred Common Home. All of our religious traditions require caring for our neighbors as the ultimate commandment and act of Love. Every person, creature and element are neighbors.

In New Mexico, we have an opportunity in the regulatory process to say yes to life and the future. By approving strong ozone precursor rules that address methane pollution through the Environmental Improvement Board (EIB) hearing, we can join in community to make a positive and important difference. The work our state agencies do is so important to address the climate crisis facing New Mexico. Thank you for engaging the public in the EIB hearing process for new Methane rules. We are grateful for the Governor and our agencies who work toward climate justice, resiliency and the Common Good.

Methane pollution contributes to accelerated climate change and an uncertain future for New Mexico's children. Pope Francis, in the teaching encyclical *Laudato Si: On Care of Our Common Home* instructs us that the work for climate justice is not optional. We must work for clean air, water, land and community health as we address climate justice. Here in New Mexico this means addressing methane waste, which is a potent greenhouse gas 84 times more powerful than carbon dioxide in the near term. In fact, methane pollution contributes to about 25 percent of the global warming we are experiencing today. New Mexicans are already experiencing severe impacts of climate change – harming our health, air, land, water, and economy.

With a few key improvements, these rules can ensure that we really are protecting our frontline communities and address environmental and economic justice as we care for family, mother's and children's health and well-being. While the New Mexico Environment Department (NMED) has put

forward a strong proposal, three key additions are critical to meet Governor Lujan Grisham's goal of enacting "the country's toughest methane and air pollution rules." The final rules must protect those living closest to development by requiring more frequent inspections to find and fix leaks; require operators to control pollution during the completion of an oil or gas well or when they redevelop an existing well; and strengthen requirements to cut pollution from pneumatic controllers that are used in oil and gas production. We also believe that good rules make no difference unless the state puts resources for enforcement.

As faith leaders who minister in a variety of ways, we call for strong rules to care for the Common Good, our neighbors and all of creation, which we work to honor and care for. Climate change is happening now and we have a moral and ethical responsibility to act now in faithful ways.

In peace and good,

Sr. Joan Brown, osf, Executive Director, New Mexico Interfaith Power and Light
Sr. Rose Marie Cecchini, mm, Office of Life, Peace, Justice & Creation Catholic Charities Gallup, Gallup
Rev. Lynne Hinton, Conference Director NM Conference of Churches
Rt. Rev. Joel Garner, O.Praem. Abbot, Santa Maria de la Vid Abbey, Albuquerque
Rev. Dr. Barbara Doerrer-Peacock, Acting Conference Minister, Southwest Conference UCC
Rev. Joan Jiko Halifax, Abbot, Upaya Zen Center, Santa Fe
John A Kretzmann, Clerk, Santa Fe Monthly Meeting (Quaker), Santa Fe
The Rev. Holly Beaumont, D.Min. Organizing Director Interfaith Worker Justice –NM
Rev. Anne Morawski, ELCA Global Mission, Albuquerque
Fr. Tom Smith OFM Conv., Director Holy Cross Retreat Center, Mesilla Park
Rhonda Newby-Torres, Director of Luther House, Lutheran Campus Ministry New Mexico
Sr. Odile Coirier, fmm, Outreach Organizer NM IPL Southern NM and El Paso Region
Rev. Dr. Fred Schott, Evangelical Lutheran Church in America
Rev. Anita Amstutz, Mountain States Mennonite Conference, Albuquerque
Reverend Andrew Black, Founder of EarthKeepers 360 & First Presbyterian of Santa Fe
Henry Shukman, Guiding Teacher, Mountain Cloud Zen Center, Santa Fe
Sr. Marlene Perrotte, rsm, Immigration and Refugee Ministry, Albuquerque
Rabbi Neil Amswych, Temple Beth Shalom, Santa Fe
Sister Maria Isabel Galbe, RA Chaparral
Sr. Anne Saluan, RA Chaparral
Sr Maria Teresa Tellez, RA Chaparral
Rev. Ed Katzenberger, Presbyterian Minister, Albuquerque
Charlotte Smith, Member Baha'i community
Rev. Dr. Harry W. Eberts, Pastor, First Presbyterian Church of Santa Fe
Rev. Erica Lea-Simka, Pastor, Albuquerque Mennonite Church
Barbara Brandt, Buddhist Morning Light Sanga Gallup M.M., Jamestown, NM
Rev. Jean Siegfried Darling, Min. Emer., Peoples Church, Co-Chair Enviro. Justice Team, UU, Santa Fe
Rabbi Deborah J Brin, Rabbi Emerita, Congregation Nahalat Shalom, Albuquerque
Nick King, Mennonite Pastor, Carlsbad
The Rev. Carolyn W. Metzler, Episcopal priest and spiritual director, Datil
Dr. Kathleen O'Malley, Buddhist, Albuquerque
Rev. Dr. Robert B Woodruff, Pastor, Second Presbyterian Church, Albuquerque
Rev. Michael Sells, The Episcopal Church in Navajo land, Vicar San Juan Mission, Farmington

Deacon Andy Dimas, St. Anne Catholic Church, Santa Fe
 Edward Barlow, retired Methodist clergy, Ruidoso
 Tanya Barlow, NM conference UMW VP, Ruidoso
 Rev. Sue Joiner, Senior Minister, First Congregational United Church of Christ, Albuquerque
 Rev. Dr. Stephen J. Miller, Christian Church (Disciples of Christ) retired clergy
 Carla Lanting Shibuya, Lay Dominican, M. Div. Student, Shrine of the Little Flower, Albuquerque
 Sr. Catherine Clemons, heart still in Gallup
 Rev. H. Blaine Wimberly, United Methodist Pastor, Santa Fe
 Rev. Pamela Shepherd, Taos United Community Church, Taos
 Rev. Susan Allison-Hatch, Priest Affiliate, St. Michael and All Angels Episcopal Church
 Anna Rondon, Dine, Gallup
 Holy Cross Lutheran Church, Albuquerque
 Leland Bowen, Elder Las Placitas Presbyterian Church, Placitas
 Rev. Robert Aubrey retired CCDOC
 David Robertson, Member, First Unitarian, Cool Congregations Committee NMIPL, Albuquerque
 Samia Assed, Social Justice Leader, Islamic Center of New Mexico, Albuquerque
 Ken Jones, Environmental Stewardship Committee Chair, La Mesa Presbyterian Church, Albuquerque
 Elizabeth Diaz Ph.D retired LPCC, community organizer, La Mesa Presbyterian Church, Albuquerque
 Rev. Susan J. Quass, Presbyterian Church (USA), Albuquerque
 Rev. Vangie Chavez, Pastor Rising Sun Christian Community, Albuquerque
 Rev. Judith Wellington, Presbyterian Church (USA), Albuquerque
 Reverend Vincent Paul Chávez, Pastor, Saint Therese Catholic School and Parish, Albuquerque
 Rev. Roger Scott Powers, Pastor, St. Andrew Presbyterian Church, Albuquerque
 The Rev. Patricia Masterman, Deacon, Holy Family Episcopal Church, Santa Fe
 Fr. Charles McCarthy, ofm conv, Catholic communities of Laguna and Acoma
 Rev. Virginia Bairby, Pastor, First Presbyterian Church of Taos
 Rev. Dr. James E Roghair, retired member of Santa Fe Presbytery, Santa Fe
 Rev. Dr. Rich Holmes, Pastor, Las Placitas Presbyterian Church, Placitas-
 Rev. Madeline Hart-Andersen, Pastor, Westminster Presbyterian Church, Santa Fe
 Marlys Lesley, Environmental Stewardship Committee, La Mesa Presbyterian, Albuquerque
 Ruth Striegel, Green Justice team leader, First Congregational UCC Albuquerque
 Ella Joan Fenoglio, La Mesa Presbyterian Church, Albuquerque
 Janet Norden, Rev., CNP, United Methodist Elder, Chaplain, Albuquerque
 Jan Krakow, Deacon Retired, ELCA, Albuquerque
 Rev. Sarah TevisTownes, Pastor and Teacher, Church of the Good Shepherd, Albuquerque
 Maureen "Molly" Murphy, Elder, Enviro. Stewardship Comm., La Mesa Presbyterian, Albuquerque
 The Rev. Angela Herrera, Senior Minister, First Unitarian Church, Albuquerque
 Fr. Vincent Petersen OFM Conv., Former pastor, Our Lady of Guadalupe Parish, Tortugas
 Rev. Larry Bernard, O.F.M., San Diego Missions: Jemez, Zia & Santa Ana Pueblos, San Ysidro, Ponderosa & Cañon
 Adam Horowitz, co-founder Nuns and Nones; Taproot, Albuquerque
 Linda Popelish, Morning Light Sanga, Gallup
 Rabbi Celia Surget, Congregation Albert, Albuquerque
 Sr. Marie Paule Willem, Pastoral Minister, St. Joseph Mission, Las Cruces
 Maria Luisa, lay Catholic Leader, Mesilla
 Rev. Tiffany Curtis, Pastor, The Open Circle: A Disciples of Christ Community, Santa Fe
 Don Handrick, Sr. Buddhist Teach, Foundation for Preservation of Mahayana Tradition (FPMT), Santa Fe

Rev. Alexander Lenzo, Pastor, St. Francis Episcopal Church, Rio Rancho
Rev. (retired) Elizabeth McMaster, Unitarian Universalist, Albuquerque
Rev. Dr. David Wasserman, Honorably Retired, Presbyterian Church, Presbytery of Santa Fe
Rabbi Paul Citrin, Albuquerque
Dr. Kathleen O'Malley, Buddhist, Albuquerque
Rev. Kenneth Cuthbertson, PCUSA, Retired, Albuquerque
Rev. Kristin Schultz, Pastor, All Saints Lutheran Church, Albuquerque

Texas Faith Leader supporters:

Father Edward Carpenter, Pastor, Catholic Parish St Luke El Paso, TX
Jean Ponder Soto, lay leader St. Luke, El Paso, TX
Keith Alan McNeil, lay faith leader, El Paso, TX



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We Can Make a Difference for Health and Climate and New Mexico

Will you help by commenting in support of new Smog/Ozone Precursor Rules in Oil and Gas Regions?

New Mexico has a methane problem. Oil and gas operations release more than 1.1 million tons of methane each year (That has the same short-term climate impacts as 22 coal-fired power plants or 28 million automobiles.)

Methane is a powerful climate change pollutant responsible for 25% of the warming we're experiencing today. Operations release more than 337,500 tons of smog-forming volatile organic compounds as well as toxic air pollutants that affect health, especially most vulnerable children and elderly.

Methane pollution is a top tier environmental issue in New Mexico. In 2021, the Colorado College's bipartisan [Conservation in the West](#) survey found that 89% of voters support requirements for companies to update equipment and technologies to address methane and air pollution.

The New Mexico Environment Department (NMED) has put forward a strong proposal to cut ozone-forming volatile organic compounds (VOCs) and methane released by the oil and gas industry. Gov. Lujan Grisham and Secretary Jim Kenney have worked hard on new rules, but they need to be stronger. Public comments can be made now until September 27 to the Environmental Improvement Board.

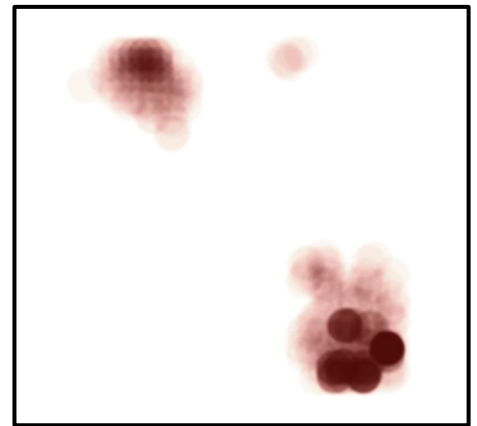


Figure 1 Methane Pollution hot spots in New Mexico.

We need you to...

1. Send a comment to the Environment Improvement Board By September 29.

You can e-mail to pamela.jones@state.nm.us. State that Your comments are for the Methane Pollution Rules. Also, if you are speaking at the hearing give her your date and time.

2. **Make a 2 minute comment September 20-29. Public comments will be taken for 30 minutes at 9:00 am, 1:00 pm, and 5:00 pm (except the first day, public comment will not be taken at 9:00 am). Again, You can e-mail pamela.jones@state.nm.us with the date and time you want to speak and you will not have to wait, but you will need to use the link below for that day. If you need to call in let me know the day of and I will get a number it changes everyday.**

- Day 1 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=ede817167fa3a2b3ced690628afcdaa25>
- Day 2 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e7dbe84e529b61d6f287f9155690338fa>
- Day 3 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e22095115c48d0d29b8d571035bd17c37>
- Day 4 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=eda7177a22cd7fb8bbcb04c2b381ba76>
- Day 5 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e5efef2201291e9c441bcb5cc7bf1a14f>
- Day 6 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=ed04ccc7fe35efaae8d3aeac68e0e183d>
- Day 7 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e0a44ca14002b262a9bf80a53bfd10af2>
- Day 8 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e2323792b495ad34a37b5ec89f9f5bb0c>
- Day 9 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=ef8fb6bbeb3c66021647919ac614a293d>
- Day 10 <https://feliciahearingofficer.webex.com/feliciahearingofficer/onstage/g.php?MTID=e195c74f3002f2e3cb80c36571d35149f>

3. Let joan@nm-ipl.org know that you are commenting, or make a contact if you need help or more info.

4. **In your comment be personal, why you are concerned, address moral and ethical values/teachings from your tradition, ie. "loving neighbor", "caring for sacred creation", "justice for the most vulnerable and the future."**

5. Here are a few talking points.

- **Protect those living closest to development by requiring more frequent inspections to find and fix leaks.**
- **Ensure strong requirements for operators to control pollution during the completion of an oil or gas well or when they redevelop an existing well.**
- Strengthen requirements to cut pollution from pneumatic controllers that are used in oil and gas production. NMED should require companies to inspect pneumatics for leaks and accelerate the timeline to retrofit equipment with zero-bleed or zero-emission pneumatic controllers.
- State your concerns about climate change and how these rules are one step to care for our troubled world.

Sample Comment: Make it personal and for 2 minutes. Your voice of faith and as a community member is important.

Dear Members of the Environmental Improvement Board,

I am _____ and I am a member of _____ faith community (NMIPL) and I live in _____. I am concerned about methane pollution because: _____ I support strong methane rules and thank the Environmental Improvement Board for this hearing.

Share more of your story

Share a talking point or so.

You can mention key improvements in your own word

Thank them for strong action.

Here are three key improvements the Environment Department should adopt to protect communities and address major sources of pollution:

- **Protect those living closest to development by requiring more frequent inspections to find and fix leaks.**
- **Ensure strong requirements for operators to control pollution during the completion of an oil or gas well or when they redevelop an existing well.**
- **Strengthen requirements to cut pollution from pneumatic controllers that are used in oil and gas production. The devices are the second largest source of oil and gas methane emissions in New Mexico. NMED should require companies to inspect pneumatics for leaks and accelerate the timeline to retrofit equipment with zero-bleed or zero-emission pneumatic controllers.**

TOPLINE MESSAGE: Support and Strengthen

The New Mexico Environment Department has put forward a strong proposal to cut ozone-forming volatile organic compounds (VOCs) and methane released by the oil and gas industry. This measure will help protect our air and climate and the health of New Mexico's families. Gov. Lujan Grisham and Secretary Jim Kenney deserve credit for the hard work that went into responding to the concerns of people across the state and developing a smart, commonsense proposal to protect our air and climate.

While the Environment Department has put forward a strong proposal, there's still more work that needs to be done to protect communities and address major pollution sources in order to meet Gov. Lujan Grisham's goal of nation-leading rules to cut pollution.

Here are three key improvements the Environment Department should make to protect communities and address major sources of pollution:

- **Protect those living closest to development by requiring more frequent inspections to find and fix leaks.**
- **Ensure strong requirements for operators to control pollution during the completion of an oil or gas well or when they redevelop an existing well.**
- **Strengthen requirements to cut pollution from pneumatic controllers that are used in oil and gas production. The devices are the second largest source of oil and gas methane emissions in New Mexico. NMED should**

require companies to inspect pneumatics for leaks and accelerate the timeline to retrofit equipment with zero-bleed or zero-emission pneumatic controllers.

- We have an ethical and moral responsibility to address climate change/climate justice and protect frontline communities

Key Messages

- New Mexico is home to some of the worst methane pollution in the country. Oil and gas operators release 1.1 million metric tons of methane through venting, flaring and leaks. Methane is a powerful greenhouse gas that is 84 times more potent than carbon dioxide in the short term.
- The Department recently [released proposed ozone precursor regulations](#) for oil and natural gas production, processing, storage and transmission sources including rules that address equipment leaks and malfunctions. Leaks due to equipment malfunction and lack of maintenance account for 70% of the oil and gas industry's methane emissions statewide. Technology exists today to control leaks, and operators need to be accountable for the pollution they create.
- Reducing methane waste and pollution is a key step in Gov. Lujan Grisham's strategy to address air pollution and climate impacts caused by oil and gas facilities, and the governor has committed to enacting nation-leading methane emissions rules. The proposed NMED rule will complement rules finalized by the New Mexico Oil Conservation Commission (OCC) in March 2021 that ban the practice of routine venting and flaring at new and existing wells across the state.
- The Environmental Improvement Board will hold a hearing to finalize the ozone precursor rule later this year after a public comment period.

Oil and Gas Air Pollution Threatens Air Quality and Public Health

Our children are disproportionately impacted by pollution from oil and gas operations, including ozone-forming toxins that worsen respiratory diseases and trigger asthma attacks. Ozone or smog can also worsen emphysema and cause heart disease.

- Oil and gas operations in New Mexico emit at least one million metric tons of climate-warming methane a year and hundreds of thousands of tons of smog-forming volatile organic compounds that can trigger asthma attacks and worsen other respiratory diseases such as emphysema. The Centers for Disease Control has found that people with those ailments are at risk of worse outcomes to other infections such as Covid-19.
- Rural communities, tribal communities, children and the elderly are especially at risk. A recent analysis made clear that tribal communities often suffer from disproportionately high pollution levels.
- New Mexico is home to two energy-producing regions that are among the nation's most-polluted. Eddy, Lea, San Juan, Rio Arriba and Chavez Counties – the five New Mexico counties home to 97 percent of the state's oil and gas wells – are all at risk of violating federal ozone standards of 70 parts per billion.
- The American Lung Association gave the state's top oil and gas producing counties - Lea, Eddy, and San Juan Counties - an F grade for ozone in its 2021 State of the Air Report. Oil and gas operations are a significant source of ozone-forming VOCs.
- Oil and gas operations also release hazardous air pollutants such as benzene that is proven to cause cancer, putting those living closest to oil and gas operations at the greatest risk. More than 130,000 New Mexicans live within a half-mile of oil and gas development.
- More methane pollution means accelerated climate change and an uncertain future for New Mexico's children. Methane is a potent greenhouse gas 84 times more powerful than carbon dioxide in the near term. In fact, methane pollution contributes to about 25 percent of the global warming we are experiencing today.
- Here in New Mexico, oil and gas operations release more than 1 million metric tons of methane every year. That has the same short-term climate impacts as 22 coal-fired power plants or 28 million automobiles.
- New Mexicans are already experiencing severe impacts of climate change – harming our health, air, land, water, and economy. Scientists, NASA, and the Department of Defense all agree that climate change is a threat to our kids' future, and we can no longer ignore the increasingly strange and severe weather.

Expanded talking points on rule improvements

- While NMED has put forward a strong proposal, three key additions are critical to meet Governor Lujan Grisham's goal of enacting "[the country's toughest methane and air pollution rules.](#)"
- **Protection for frontline communities.** It is critically important that the final rule is strengthened to protect frontline communities by requiring more frequent inspections to find and fix leaks -- an approach that has been successfully implemented in the state of Colorado.
 - Air pollution from oil and gas development poses a serious threat to the health of all New Mexicans but disproportionately impacts children, the elderly, Native Americans and those living in poor, rural communities. In fact, almost [half](#) of all Native Americans in San Juan County -- about 22,000 people -- live within a half-mile of a wellsite.
 - Largely avoidable oil and gas emissions from leaks can lead to serious health problems for frontline communities. Emissions from oil and gas production contain toxic, even deadly, gases like hydrogen sulfide, toluene, xylene and benzene. Methane leaks also allow VOCs to be released. These VOCs are one of the main building blocks of ozone pollution, which can harm the respiratory system, trigger asthma attacks and worsen emphysema.
- **Completions.** The final rule must be strengthened to ensure New Mexico incorporates leading approaches to address pollution created during well completions.
- **Pneumatics.** The final rule should strengthen pollution cutting measures on pneumatic controllers, the second-largest source of oil and gas methane pollution in New Mexico, by requiring operators to inspect gas-powered pneumatic controllers for malfunctions when operators conduct leak detection and repair inspections, as Colorado has done, and by accelerating the schedule for operators to retrofit their pneumatic controllers so they do not produce any methane emissions.

Q&A

Is the oil and gas industry already doing enough to reduce its methane emissions?No. While some companies have made commitments to reduce methane emissions, that only represents a fraction of the overall industry. All of New Mexico's oil and gas producers should follow the same commonsense standards and use technologies that limit the amount of methane gas and pollution that is leaked, vented or flared from oil and gas facilities statewide. Moreover, the latest science shows that methane emissions are five times higher than the oil and gas industry has reported to the EPA.

Why does New Mexico need its own methane and air pollution rules? Isn't this a national issue?

The simple truth is that if we are going to solve climate change we need strong action at both the state and national level. The governor's 2020 New Mexico Climate Strategy report found that the oil and gas industry is responsible for 53% percent of climate emissions in the state of New Mexico. Nation-leading oil and gas rules are critical for the state to meet its climate goals.

Didn't the state already issue a methane rule? Why is this rule needed?

The OCC issued a nation-leading rule to cut methane waste caused by routine venting and flaring. However, the OCC rule did not address leaks which are responsible for about 70% of emissions, adequately address emissions created during well completions, as Colorado has done, or address existing gas-powered pneumatic controllers.

Would a state methane rule threaten oil and gas jobs in New Mexico?No. Oil and gas development plays a significant role in New Mexico's economy by creating jobs and funding education. In good times and bad, it has a responsibility to develop oil and gas resources wisely, minimizing impacts on our communities. Other states, including Colorado, have successfully enacted rules to curb methane waste and pollution while still allowing for growth and new jobs in the oil and gas industry. Moreover, cutting methane actually creates jobs in the methane mitigation industry, including local manufacturing.

Who supports creating a methane rule in New Mexico?There is broad agreement for New Mexico to act on methane. [Ninety-one percent of voters](#) support requirements for oil and gas companies to use updated equipment and technology to prevent leaks of methane gas and other pollution into the air. Public health advocates, children's advocates, tribal communities, environmental organizations, business leaders, elected officials and local communities across New Mexico have all supported action to cut methane waste and pollution.

Low-Income Utility Affordability Act

The Low-Income Utility Affordability Act seeks to improve utility affordability, reduce energy burden, and increase utility access of low-income New Mexicans. New Mexicans living in rural, low-income, and other underserved communities spend a high portion of their income on utility bills. On average, those living below the poverty line pay 15% of their income toward energy bills alone. Making energy efficiency improvements in low-income housing cuts energy bills for these New Mexicans, improves the quality of affordable housing stock, and will help New Mexico achieve its zero-carbon electricity target.

Unfortunately, New Mexico is behind other leading states when it comes to funding energy efficiency improvements for low-income households. 26 states provide at least double the amount of low-income efficiency investments per capita through state or utility funds. It's time for the State of New Mexico to invest in services to help low-income residents reduce their energy burdens while enabling the state to reach its climate goals.

The Low-Income Utility Affordability Act offers a set of solutions to reduce energy burdens for low-income New Mexicans and enable the state to meet its climate goals:

- **Community Energy Efficiency Development (CEED) grant fund.** The Community Efficient Energy Development (CEED) Block Grant provides funding for local communities to reduce energy burdens of low-income residents, create jobs, and build capacity in communities that need it the most. This fund, established at EMRND, will provide block grants to local and Tribal governments, and the Mortgage Finance Authority, to make targeted energy efficiency improvements in underserved communities in partnership with local community organizations. CEED complements existing federal, state, and utility efficiency programs and extends the number of New Mexicans living in poverty who receive assistance.
 - CEED gives flexibility to local communities to determine what is needed most in their area. Each project can choose to focus on “low-hanging fruit” like replacing old, inefficient appliances or they offer more comprehensive retrofits of residences. CEED is a needed addition to the federally- and IOU-funded programs which are a “one size fits all” approach that provides whole house weatherization with cost-effectiveness restrictions.
- **Reporting Requirements for Utilities.** Too many New Mexicans don't have consistent access to electricity or water – and we don't even know how many. This bill requires reporting on utility arrears, disconnections, and access, and requires the PRC to hold hearings and take action to increase affordability and access.
- **Energy Efficiency and Affordability for All.** PRC action is set in motion to move towards the goal of achieving 100% energy affordability for all low-income New Mexicans by 2050.
- **Low-Income Rates Authorized.** The PRC is given authority to approve low-income rates, providing another tool for increased energy affordability long term.

New Mexicans below the federal poverty level pay an average of 15% of their income on energy bills. Those living in Catron, Guadalupe, Harding, Lincoln, Torrance, and Taos counties pay an average of 23% or more.

Data from Department of Energy Low-Income Energy Affordability Data (LEAD) Tool, <https://www.energy.gov/eere/slsc/maps/lead-tool>.

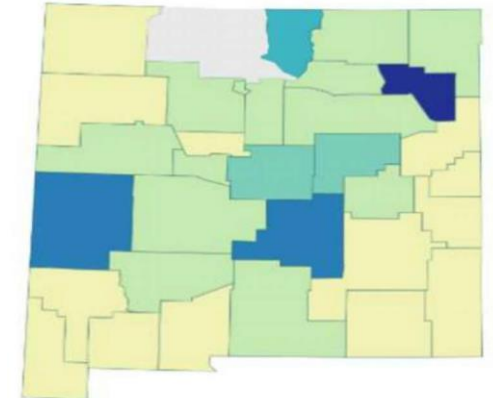


Figure: Energy burden (utility bills as a share of income) for those below poverty level



For more information, please contact: Tammy Fiebelkorn, SWEEP
tfiebelkorn@swenergy.org
505-410-3884

AN ACT RELATING TO UTILITIES; ENACTING THE COMMUNITY ENERGY EFFICIENCY DEVELOPMENT BLOCK GRANT ACT; CREATING A GRANT PROGRAM TO IMPLEMENT ENERGY EFFICIENCY MEASURES IN LOW-INCOME HOUSEHOLDS; AUTHORIZING THE NEW MEXICO MORTGAGE FINANCE AUTHORITY TO APPLY FOR COMMUNITY ENERGY EFFICIENCY DEVELOPMENT BLOCK GRANTS; MANDATING UTILITY REPORTING OF CUSTOMER DISCONNECTIONS, ARREARS AND HOUSEHOLDS WITHOUT SERVICE; REQUIRING UTILITIES TO SUBMIT REPORTS ON ENERGY AFFORDABILITY AND ACCESS TO ELECTRIC AND WATER UTILITY SERVICE; AUTHORIZING UTILITY RATE PREFERENCES FOR LOW-INCOME CUSTOMERS; DIRECTING RULEMAKING; CREATING A FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: SECTION 1. [NEW MATERIAL]

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 6 of this act may be cited as the "Community Energy Efficiency Development Block Grant Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Community Energy Efficiency Development Block Grant Act:

A. "affordable housing" means residential housing primarily for low-income persons, including housing currently occupied by low-income persons or housing that is affordable to low-income persons based on assessed value, rent or estimated mortgage;

B. "community energy efficiency project" means a project that provides improvements to residential buildings in an underserved community that will in the aggregate reduce energy consumption, energy-related operating costs or the carbon intensity of energy consumption;

C. "community partner" means an organization that provides services or outreach to an underserved community to implement a community energy efficiency project;

D. "department" means the energy, minerals and natural resources department;

E. "division" means the energy conservation and management division of the department;

F. "energy efficiency" means measures that target efficient energy consumer behavior, equipment or devices and result in a decrease in energy consumption without reducing the amount or quality of energy services, and includes health and safety measures that use efficient equipment or devices to improve indoor air or drinking water quality;

G. "low-income person" means an individual, couple or family whose annual household adjusted gross income, as defined in Section 62 of the federal Internal Revenue Code of 1986, as that section may be amended or renumbered, does not exceed two hundred percent of the federal poverty level;

H. "registered apprenticeship program that promotes diversity" means an apprenticeship program registered pursuant to the Apprenticeship Assistance Act that encourages diversity among participants, participation by those underrepresented in the industry associated with the apprenticeship program and participation from disadvantaged communities as determined by the workforce solutions department;

I. "residential housing" means:

(1) a building, structure or portion thereof that is primarily occupied or designed for or intended primarily for occupancy as a residence by one or more households, including congregate housing, manufactured homes and other facilities; and

(2) real property that is offered for sale or lease for the construction or location on that real property of a building, structure or portion thereof that is intended primarily for occupancy as a residence by one or more households; and

J. "underserved community" means an area in the state, including a county, municipality or neighborhood, or subset of an area, where:

(1) the median adjusted gross income as defined in Section 62 of the Internal Revenue Code of 1986, as that section may be amended or renumbered, does not exceed two hundred percent of the federal poverty level; or

(2) there is a high energy burden or limited access to energy efficiency services as determined by department rule.

SECTION 3. [NEW MATERIAL] COMMUNITY ENERGY EFFICIENCY DEVELOPMENT BLOCK GRANT--PROGRAM CREATED--RULEMAKING--REPORT TO LEGISLATURE.—

A. The "community energy efficiency development program" is created and shall be administered by the division.

B. If state or federal funds have been deposited into the community energy efficiency block grant fund, the department shall:

(1) adopt rules to:

(a) administer the community energy efficiency development program;

(b) restrict eligibility for certain funds, if required by the entity that provided the funding to the program;

(c) govern the acceptance, evaluation and prioritization of applications submitted by qualified entities for grants made pursuant to the Community Energy Efficiency Development Block Grant Act;

(d) determine whether the status of a person or household is low-income; and

(e) assess whether the value, rent or estimated mortgage of residential housing is affordable to persons or households of low income;

(2) solicit, review and prioritize community energy efficiency project applications;

(3) make grants for community energy efficiency projects from the community energy efficiency development block grant fund; and

(4) approve and enter into contracts with grantees to implement selected affordable housing energy efficiency projects; provided that the contracts shall include project performance measures, penalties or other provisions that ensure the successful completion of the projects in accordance with Article 9, Section 14 of the constitution of New Mexico and reporting on project performance, energy savings and non-energy benefits resulting from energy efficiency measures.

C. The department shall not be required to carry out the responsibilities in Subsection B of this section in any year that there are insufficient funds available for making grants in the community energy efficiency block grant fund.

D. In a year in which state or federal funds have been deposited into the community energy efficiency block grant fund or in which a community energy efficiency project is in operation, the department and the New Mexico mortgage finance authority shall coordinate on the work done in the state to implement energy efficiency measures.

E. By November 1 of each year in which a community energy efficiency project is in operation, the department shall provide to the interim legislative committee that addresses the status of the development of energy efficiency measures and programs a report on the status of participation in the community energy efficiency development program by people in underserved communities, the types of projects funded by grants made through the program and any recommended changes with respect to the program.

SECTION 4. [NEW MATERIAL] PROJECT REQUIREMENTS.—

A. A county, municipality, Indian nation, tribe or pueblo or the New Mexico mortgage finance authority may submit an application to the department for a grant for an energy efficiency project.

B. An application shall:

(1) describe the community energy efficiency project for which a grant is requested and how the project would support infrastructure improvements for affordable housing;

(2) describe how the community energy efficiency project would benefit an underserved community in which it is located;

(3) identify the targeted underserved community;

(4) set forth the energy efficiency improvements to residential units located within an underserved community that meet the following eligibility criteria pursuant to Article 9, Section 14 of the constitution of New Mexico:

(a) residential housing units occupied by low-income persons within an underserved community; or

(b) residential housing units within an underserved community that otherwise meet the criteria for housing that is affordable to low-income persons as established by the department in rule;

(5) propose a series of energy efficiency measures expected to reduce energy use in targeted households and the estimated reduction of energy use from the implementation of the measures;

(6) identify a service provider that will implement the energy efficiency measures in targeted households and set forth the experience of the service provider in working with the targeted underserved community;

(7) identify one or more community partners that will identify and work with targeted households to implement a community energy efficiency project in an underserved community and set forth the experience of the community partner in working with the targeted underserved community;

(8) set forth any commitment by a service provider or community partner to employ apprentices from a registered apprenticeship program that promotes diversity or to provide paid internships to persons from the targeted underserved communities; and

(9) provide a project budget detailing anticipated expenditures and additional sources of funding that would complement a grant obtained pursuant to the Community Energy Efficiency Development Block Grant Act.

C. Notwithstanding the application requirements of Subsection B of this section, the New Mexico mortgage finance authority may submit an application that:

(1) describes the community energy efficiency project for which a grant is requested and how the project would support infrastructure improvements for affordable housing that would complement and not duplicate other energy efficiency programs in the state;

(2) either meets the requirements of Paragraphs (2) through (4) of Subsection B of this section or sets forth the energy efficiency improvements to residential housing units, regardless of whether the residential housing units are located in an underserved community if the residential housing units meet the eligibility criteria established by the New Mexico mortgage finance

authority pursuant to Article 9, Section 14 of the constitution of New Mexico; provided that the application shall describe how energy efficiency improvements to the residential housing units will help to reduce the energy burden of low-income households that may not qualify for other energy efficiency programs in the state;

(3) proposes a series of energy efficiency measures expected to reduce energy use in targeted households and the estimated reduction of energy use from the implementation of the measures;

(4) identifies a service provider that will implement the energy efficiency measures in targeted households and sets forth the experience of the service provider in working with underserved communities;

(5) identifies one or more community partners that will identify and work with targeted households and sets forth the experience of the community partner in working with underserved communities; and

(6) provides a project budget detailing anticipated expenditures and additional sources of funding that would complement a grant awarded pursuant to the Community Energy Efficiency Development Block Grant Act. D. The department may require that applications meet additional criteria consistent with the goal of improving the energy efficiency, livability or public health and safety of affordable housing in underserved communities.

SECTION 5. [NEW MATERIAL] REQUIRED GRANT OF AUTHORITY.—

A. The Community Energy Efficiency Development Block Grant Act is enacted to allow the state, a county or a municipality to provide or pay the costs of financing infrastructure necessary to support affordable housing projects as provided by Article 9, Section 14 of the constitution of New Mexico.

B. Prior to the department's final approval of an application for a grant pursuant to the Community Energy Efficiency Development Block Grant Act, an applicant that is a county or a municipality shall provide the department with a copy of the ordinance enacted by the county or municipality that provides the county's or municipality's formal approval for a specific community energy efficiency development block grant and includes in the ordinance the terms and conditions of the grant approved by the department. The department shall not approve an application for a community energy efficiency project if the county or municipality fails to enact an ordinance that gives formal approval for the terms and conditions approved by the department for the community energy efficiency development block grant and includes in the ordinance those exact terms and conditions.

C. Prior to the department's final approval of an application for a grant pursuant to the Community Energy Efficiency Development Block Grant Act, an applicant that is an Indian nation, tribe or pueblo shall provide the department with a copy of a resolution enacted by the Indian nation, tribe or pueblo that provides the Indian nation's, tribe's or pueblo's formal approval for a specific community energy efficiency development block grant and includes in the ordinance the terms and conditions of the grant approved by the department. The department shall not approve an application for a community energy efficiency project if an Indian nation, tribe or pueblo fails to enact a resolution that gives formal approval for the terms and conditions approved by the department for the community energy efficiency development block grant and includes in the resolution those exact terms and conditions.

D. Prior to the department's final approval of an application from the New Mexico mortgage finance authority for a grant pursuant to the Community Energy Efficiency Development Block Grant Act, the New Mexico mortgage finance authority shall provide the department with formal approval of the New Mexico mortgage finance authority to accept a specific community energy efficiency development block grant.

SECTION 6. [NEW MATERIAL] SELECTION OF PROJECTS.—

A. When reviewing and selecting community energy efficiency projects for grants from the community energy efficiency development block grant fund, the department shall consider:

- (1) the estimated reduction in energy use from the project;
- (2) the geographic diversity of the portfolio of community energy efficiency projects to be approved by the department;
- (3) the experience of each community partner or service provider identified in the application in working with the targeted underserved community;
- (4) whether the application includes a commitment by a service provider or community partner to employ apprentices from a registered apprenticeship program that promotes diversity or to provide paid internships to persons from the targeted underserved communities;
- (5) the value of the project as a demonstration project to provide data for the effectiveness of implementing similar projects elsewhere; and
- (6) the degree to which the project benefits an underserved community, including any non-energy benefits and health benefits provided by the project.

B. Provided that the criteria are published in the project solicitation, the department may further consider in its review and selection of community energy efficiency projects:

- (1) the degree to which the project will protect public health, including protecting underserved communities from a public health threat such as the coronavirus disease 2019;
- (2) the degree to which the project will contribute to economic recovery, including from the coronavirus disease 2019 pandemic; or

(3) the degree to which the project will reduce economic hardship of individual families due to the coronavirus disease 2019 pandemic.

C. In considering an application from the New Mexico mortgage finance authority, the department shall consider whether full or partial funding of the New Mexico mortgage finance authority application would:

(1) promote geographic diversity of the portfolio of community energy efficiency projects;

(2) reduce the energy burden of low-income persons, within or outside of underserved communities, who would not be likely to otherwise receive energy efficiency improvements through other state programs; or

(3) help create a portfolio of community energy efficiency projects that would best meet the goals of the Community Energy Efficiency Development Block Grant Act.

SECTION 7. [NEW MATERIAL] COMMUNITY ENERGY EFFICIENCY DEVELOPMENT BLOCK GRANT FUND CREATED--ADMINISTRATION.—

A. The "community energy efficiency development block grant fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, gifts, grants and donations to the fund and income from investment of the fund including federal funds except that no federal funding allocated to the state for the federal weatherization assistance program pursuant to 42 U.S.C. Section 6863 or the federal low income home energy assistance program pursuant to 42 U.S.C. Sections 8621 through 8630 shall be placed in the fund without the written approval of the appropriate federal agency and the New Mexico mortgage finance authority. Expenditures from the fund shall be made on warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of energy, minerals and natural resources or the secretary's authorized representative.

B. Money in the fund is subject to appropriation by the legislature to the department to carry out the purposes of the Community Energy Efficiency Development Block Grant Act, including the administrative costs of the department; provided that money in the fund that is derived from the federal government may be expended by the department without legislative authorization for any purpose that is consistent with the goal of reducing the energy burden of low-income individuals or underserved communities as otherwise allowed by law, including carrying out the community energy efficiency development block grant program and the administrative costs of the department.

SECTION 8. A new section of Chapter 62, Article 6 NMSA 1978 is enacted to read: "[NEW MATERIAL] UTILITY REPORTING ON DISCONNECTIONS, ARREARS AND PEOPLE WITHOUT SERVICE.—

A. By December 31, 2023, the commission shall promulgate rules requiring that each utility under the commission's jurisdiction report:

(1) on a quarterly basis the number of customers in each customer class that are disconnected, the reason for disconnection, the number of customers reconnected after disconnection, the number of disconnected and reconnected customers that were eligible for the federal low-income home energy assistance program, the current number of customers eligible for disconnection due to arrears and the average amount of arrears for customers eligible for disconnection;

(2) on an annual basis the number, or best estimate of the number, of prospective residential customers that are not receiving utility service in the utility's service territory and any information available about why those prospective customers are not receiving service; and

(3) any other information the commission determines is necessary and available for understanding and monitoring the provision of uninterrupted electricity and gas service and

adequate water service to all New Mexicans who desire that service and low-income New Mexicans in particular.

B. For the purposes of this section, "low-income" means an annual household adjusted gross income, as defined in the Income Tax Act, of equal to or less than two hundred percent of the federal poverty level."

SECTION 9. A new section of Chapter 62, Article 6 NMSA 1978 is enacted to read: "[NEW MATERIAL] PUBLIC UTILITY REPORT ON ACHIEVING ENERGY AND WATER EQUITY.—

A. By December 31, 2023, the commission shall issue an order requiring each public utility providing electricity service to provide a report that includes the following:

(1) an analysis of the benefits, costs and feasibility of providing all prudent energy efficiency improvements to fifty percent of all low-income New Mexico households by 2030 and one hundred percent of all low-income New Mexico households by 2050, including an analysis of the benefits to energy affordability, utility load and greenhouse gas emissions;

(2) identifies whether the utility's rates are affordable to low-income customers in its service territory, and if not, identifies what type of low-income discount rate, alone or in combination with other actions such as energy efficiency improvements, the utility would recommend to achieve energy affordability; and

(3) identifies whether changes could be made to the utility's policies, to the rules or orders of the commission or in statute to

(a) ensure all homes have access to essential household services,

(b) improve energy affordability,

(c) reduce energy burden and

(d) ensure continuous energy access for low-income New Mexicans.

B. By December 31, 2023, the commission shall issue an order requiring each public utility providing water service and wastewater company under its jurisdiction to provide a report that includes an analysis of the benefits, costs and feasibility of providing adequate water service to fifty percent of all New Mexico households by 2030 and one hundred percent of all New Mexico households by 2050 that desire that service in their jurisdiction.

C. The commission shall request public comment on the reports required by this section and hold a public hearing on the reports to solicit recommendations on action that the commission may take.

D. By December 31, 2024, the commission shall promulgate rules or issue orders in response to recommendations made by utilities and members of the public to make immediate, reasonable and consistent improvements toward ensuring that all homes have access to essential household services, energy affordability and to reduce energy burden as allowed by law, with a goal of achieving fifty percent energy affordability for low-income New Mexicans by 2030 and one hundred percent by 2050, provided that the commission may apply policies to a subset of low-income New Mexicans. In promulgating the rules or issuing the orders, the commission shall consider the degree to which the rules or orders:

(1) ensure all homes have access to essential household services

(2) improve energy affordability;

(3) reduce utility load;

(4) reduce greenhouse gas emissions; and

(5) impact ratepayers.

E. By December 31, 2024, the commission shall promulgate rules or issue orders in response to recommendations made by water utilities and wastewater companies under its jurisdiction and members of the public to make immediate, reasonable and consistent improvements to the access to water service, including wastewater connections, with a goal of providing adequate water service to fifty percent of all New Mexico households by 2030 and one hundred percent of all New Mexico households by 2050 that desire that service.

F. For the purposes of this section:

(1) "adequate water service" means service to a customer that provides the customer with access to piped or well water twenty-four hours a day, meets state and federal standards for safety and enables complete plumbing at the customer's residence, including a water heater, sink, shower or bathtub, toilet and a code-compliant system for removing wastewater;

(2) "essential household services" means infrastructure that allows internet, electric, natural gas, water, wastewater or other services provided by law to be connected to a domicile.

(3) "energy affordability" means that the combination of electricity and gas bills do not equal more than five percent of the annual income of a customer's household; and

(4) "low-income" means an annual household adjusted gross income, as defined in the Income Tax Act, of equal to or less than two hundred percent of the federal poverty level."

SECTION 10. Section 62-8-6 NMSA 1978 (being Laws 1941, Chapter 84, Section 42, as amended) is amended to read: "62-8-6. DISCRIMINATION.—

A. No public utility shall, as to rates or services, make or grant any unreasonable preference or advantage to ~~any~~ a corporation or person within any classification or subject ~~any~~ a corporation or

person within any classification to any unreasonable prejudice or disadvantage. ~~[No]~~ A public utility shall not establish and maintain any unreasonable differences as to rates of service either as between localities or as between classes of service.

B. Nothing shall prohibit ~~[however]~~ the commission from approving:

(1) economic development rates; ~~[and]~~

(2) rates designed to retain load; ~~[or from approving]~~ or

(3) energy efficiency programs designed to reduce the burden of energy costs on low-income customers pursuant to the Efficient Use of Energy Act.

C. Nothing in this section shall prohibit a public utility from making or granting a reasonable preference or advantage to low-income customers with approval of the commission, and the commission may approve a rate, charge, service, classification or facility that includes the reasonable preference or advantage. The implementation of such a commission-approved rate, charge, service, classification or facility by a public utility shall not be deemed to subject a person or corporation to any unreasonable prejudice or disadvantage or undue discrimination."