



New Mexico's Energy Transition Roadmap: Comprehensive Energy Transition Strategy (CETS)

A Blueprint for CETS to Ensure Energy Security, Clean Energy and Energy Affordability

Overarching Question: How can New Mexico policymakers effectively continue, enhance, and accelerate the energy security, clean energy, and energy security policies of the last seven years?



- **Provide a comprehensive clean energy transition roadmap to the legislature and policymakers that includes concrete policy recommendations supported by unbiased analysis, is sensitive to clean energy, energy security, and equity/regional interests and needs, and promotes New Mexico as a national and global leader in these areas**
- **Focus analysis on the most critical areas for New Mexico, including the cross-cutting areas of inclusion, infrastructure, innovation, incentives, and investment**
- **Use the federal government's Quadrennial Energy Review (QER) as a model**

CETS Objectives and Value to Policymakers

Integrated view of short-, intermediate-, and long-term objectives for State energy policy.

Strong analytical basis for decision-making.

Outline of legislative proposals to State Legislature.

Executive actions (programmatic, regulatory, fiscal, etc.) across multiple agencies.

Resource requirements for RD&D and incentive programs.

CETS Phases

Phase I: Identifying the key issues, creating a baseline analysis (NM Tech)

Phase II: Holding regional stakeholder and expert workshops to develop actionable solutions (NMSU)

Phase III: Developing a final report on full scope of analysis with a strategy for executing on solutions (NMSU)

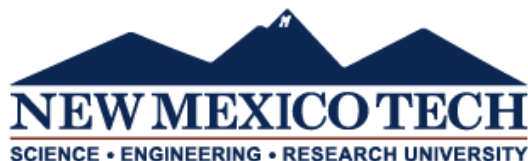
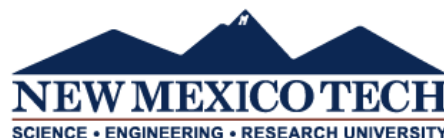
DETECT: Developing a prototype of a website for state-specific energy and emissions data, and a governance structure to further develop and manage that data (NM Tech)

COMPREHENSIVE ENERGY TRANSITION STRATEGY (CETS)

PHASE 1 OVERVIEW



Project Management



- **Data Management Strategy Report**
- **Technical Analysis**
- **Platform Prototype**
- **Policy memos**
- **Socioeconomic Report**
- **Stakeholder Survey**
- **Review of NM**

Consolidate Successes, Identify Challenges & Plan for the Future

1. Data Management Strategy Report

- Analysis of available energy data and gaps
- Define a strategy to develop DETECT (Data for Energy Transition...)

2. Policy Memos

- Review of **all regulations and statutes related to energy and climate.**
- Suggest recommendations for future administrations and legislators

3. Technical Analysis

- Geothermal, Critical Minerals...

COMPREHENSIVE ENERGY TRANSITION STRATEGY

PHASE 1: BASELINE POLICY RESOURCE

KEY HIGHLIGHTS & KEY TAKEAWAYS

NOVEMBER 19 , 2025

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Highlights from the Socioeconomic Survey of New Mexico

New Mexico is ranked 47th overall among U.S. states in its overall quality of life.

- 25% of New Mexicans live at or below the federal poverty level.
- With 836,000 New Mexicans enrolled—nearly 40% of our population—we lead the nation in per capita Medicaid coverage.
- 50th in education for the ninth year in a row
- New Mexico has the lowest literacy rate in the U.S.
- New Mexico and Oklahoma have the lowest percentage of students at the advanced reading level - 4%.
- Eight in ten residents are unable to purchase a fiber internet plan.
- New Mexico ranks 37th among states in annual rankings of internet coverage, speed and availability.
- New Mexico is 44th in infrastructure, 45th in business environment, and 46th in economic opportunity.

Over the last decade the share of New Mexicans experiencing poverty declined more than in almost any other state in the U.S.

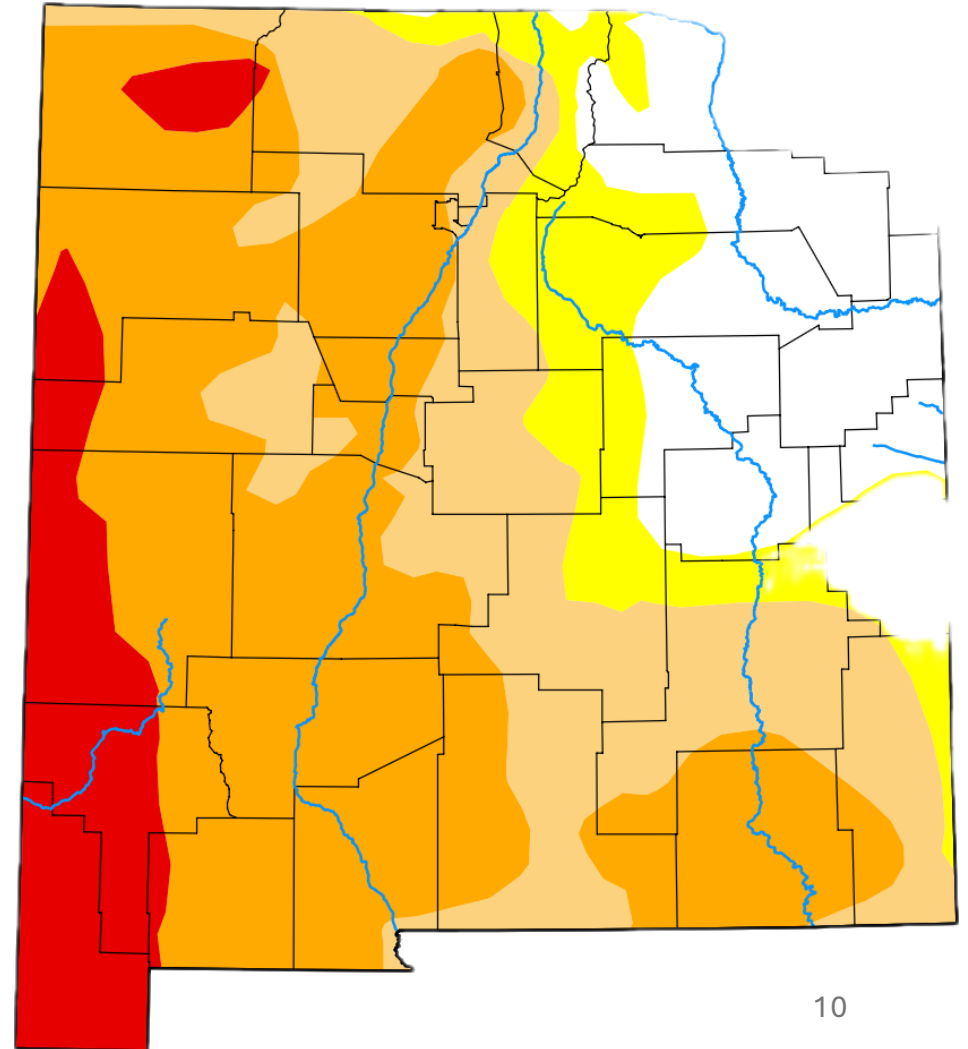
- New Mexico has capitalized on its booming oil and gas industry to undertake investment policies in education, childcare, health care, infrastructure and public improvements.
- That coincides with a period in which state lawmakers significantly altered tax rates to reduce the burden on low-income residents. They enacted and expanded tax credits and rebates that annually return hundreds of millions of dollars to working families. And they instituted other benefits including a constitutional right to early childhood education.
- These changes have vaulted the state's tax structure from one of the most regressive in the country, where lower-income people paid a bigger share of their incomes in taxes than the wealthiest, to among the most progressive, where the poorest residents now pay a lower share of their income in taxes than any other group.

Highlights from the Socioeconomic Survey of New Mexico

Large-Scale Climate Change and Hydrological Impacts in New Mexico

- Over the next half century, profound changes in New Mexico's climate will affect water resources across the state.
- All evidence suggests that surface temperature will continue to rise throughout New Mexico over the next 50 years.
- Most projections of statewide annual mean temperature are from 3°F to 7°F warmer than the late 20th century, and some high-end models predict even more warming.
- The magnitude of change depends on future human-caused emissions of greenhouse gases; the warming associated with even modest projections would generate unprecedented high temperatures and significantly stress our water resources.
- Increasing temperature is the most pronounced and predictable component of climate change in the Southwest.

U.S. Drought Monitor: New Mexico - 11.06.2025



EFI Foundation Phase I : Policy Memos

1

Innovation in Clean, Firm Power Generation

Examines clean, firm power options—geothermal, nuclear, carbon capture, hydrogen, hydropower, and long-duration storage—to ensure reliability, affordability, and durable community support, advancing the energy transition.

2

Grid Modernization

Investigates how to align New Mexico's grid with its energy transition and economic growth goals and outlines targeted reforms to accelerate deployment and improve resilience.

3

Electricity Transmission Capacity Expansion

Examines the planning and permitting challenges that limit timely transmission deployment and outlines potential solutions to support transmission expansion to accelerate the clean energy transition.

4

Decarbonization of the Building Sector

Focuses on targeted reforms to strengthen the Sustainable Buildings Tax Credit, making it more equitable, transparent, and effective in driving building decarbonization statewide.

5

Workforce Readiness and Equitable Opportunity

Highlights opportunities to improve alignment between policy design and implementation, ensuring that New Mexico's clean energy investments deliver broad, equitable, and lasting economic benefits for its residents.

6

Policy Implementation

Examines how enhancing agency capacity, authority, tools, and resources can strengthen effective implementation of New Mexico's energy transition.

7

Clear Subsurface Authorities and Definitions

Explores how greater clarity for geologic hydrogen, geothermal, and methane can reduce uncertainty, attract investment, and advance New Mexico's energy transition.

8

Energy Systems Data and Emissions Reporting

Identifies data and governance gaps that limit New Mexico's ability to manage its energy transition effectively and outlines how to achieve close to real-time data visibility, evaluate policy impacts, and measure progress.

9

Investing in the Future: Revenue Diversification

Considers diversifying New Mexico's revenue base as the energy transition progresses into growing clean energy industries, reducing fiscal volatility, and stabilizing revenues.

EFI Foundation Phase I : Key Takeaways

Memo #7

Clarifying subsurface authorities and definitions for geologic hydrogen, geothermal, and methane.

Bottom Line Up Front

- New Mexico's energy would be expedited by unlocking low-carbon resources, such as geothermal and geologic hydrogen, and sustaining emissions reductions through effective methane management.
- Yet, outdated statutes and fragmented regulatory authority constrain progress:
 - a. state law currently requires geothermal projects to maintain “no diminishment” of heat effectively prohibiting commercial development;
 - b. geologic hydrogen lacks a statutory definition or clear permitting authority; and
 - c. methane enforcement is hindered by overlapping jurisdictions between the Oil Conservation Division (OCD) and the Environment Department (NMED).
- To fully leverage New Mexico's potential, it is critical to clarify departmental authorities, identify inter-agency collaboration, and modernize, standardize, and refine legal definitions within existing statutes and laws.
- A well-defined legislative framework can guide and support the transition to low- and zero-carbon technologies at every stage of development.

EFI Foundation Phase I : Key Takeaways

Memo #9

Supporting revenue diversification by strategically utilizing investments and growing clean energy industries.

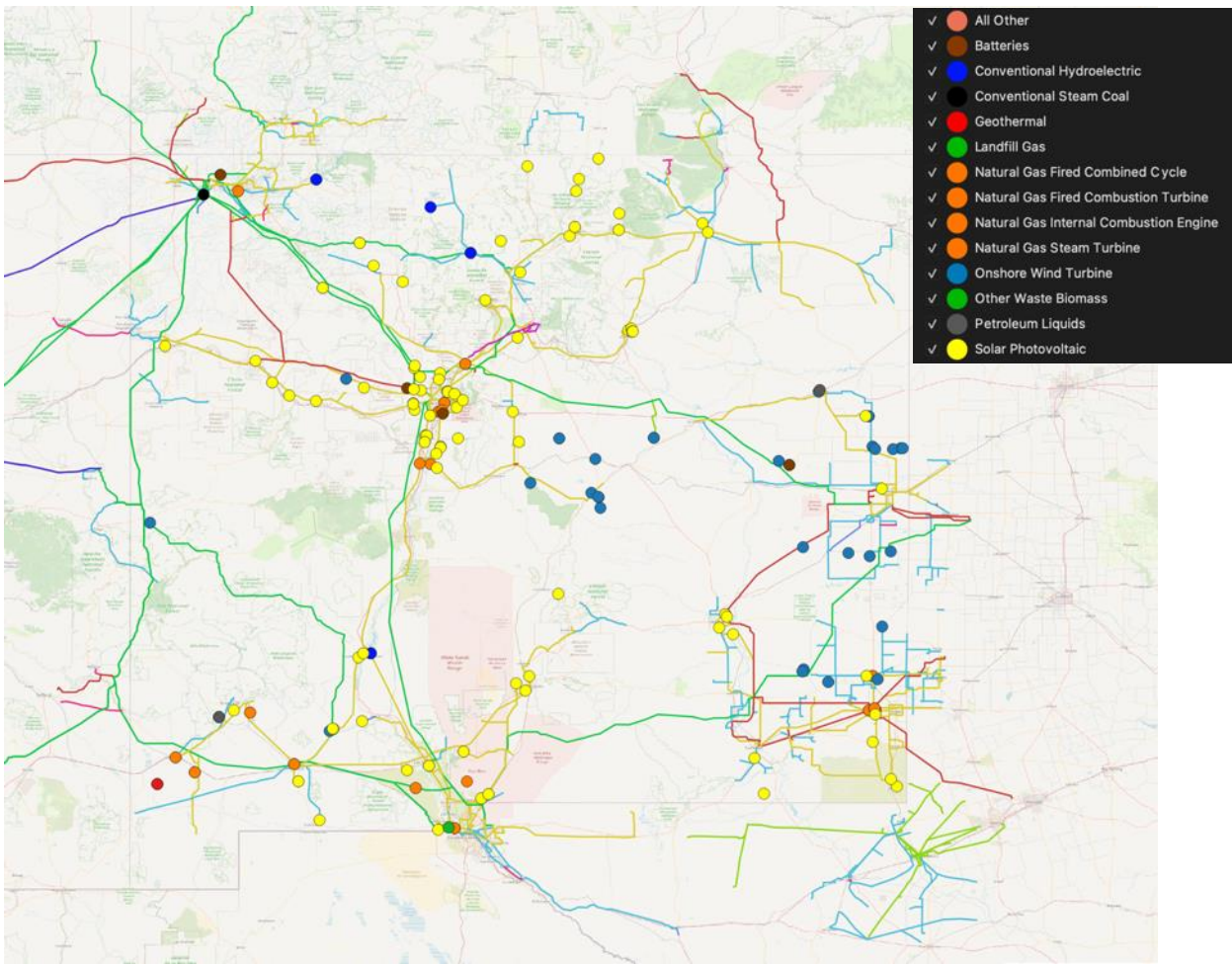
Bottom Line Up Front

- New Mexico's long-term fiscal resilience depends on broadening its revenue base.
- There is a strong opportunity to create durable and balanced sources of public revenue by aligning revenue diversification with emerging industries, such as:
 - a. development of critical minerals and clean energy, including renewables like wind and solar and clean, and
 - b. firm resources such as geothermal, nuclear, carbon capture, hydrogen, hydropower, and long-duration storage.
- This memo proposes targeted actions such as:
 - ✓ securing a higher state share of federal onshore oil and gas revenues to bolster fiscal stability;
 - ✓ modernizing clean energy revenues to be investable in the Land Grant Permanent Fund and Severance Tax Permanent Funds, and dividends should be used for R&D allocations;
 - ✓ expanding and adapting public finance tools to attract clean energy and manufacturing projects; and
 - ✓ developing new leasing and permitting frameworks for carbon dioxide (CO₂) storage and critical minerals to create recurring trust revenues.

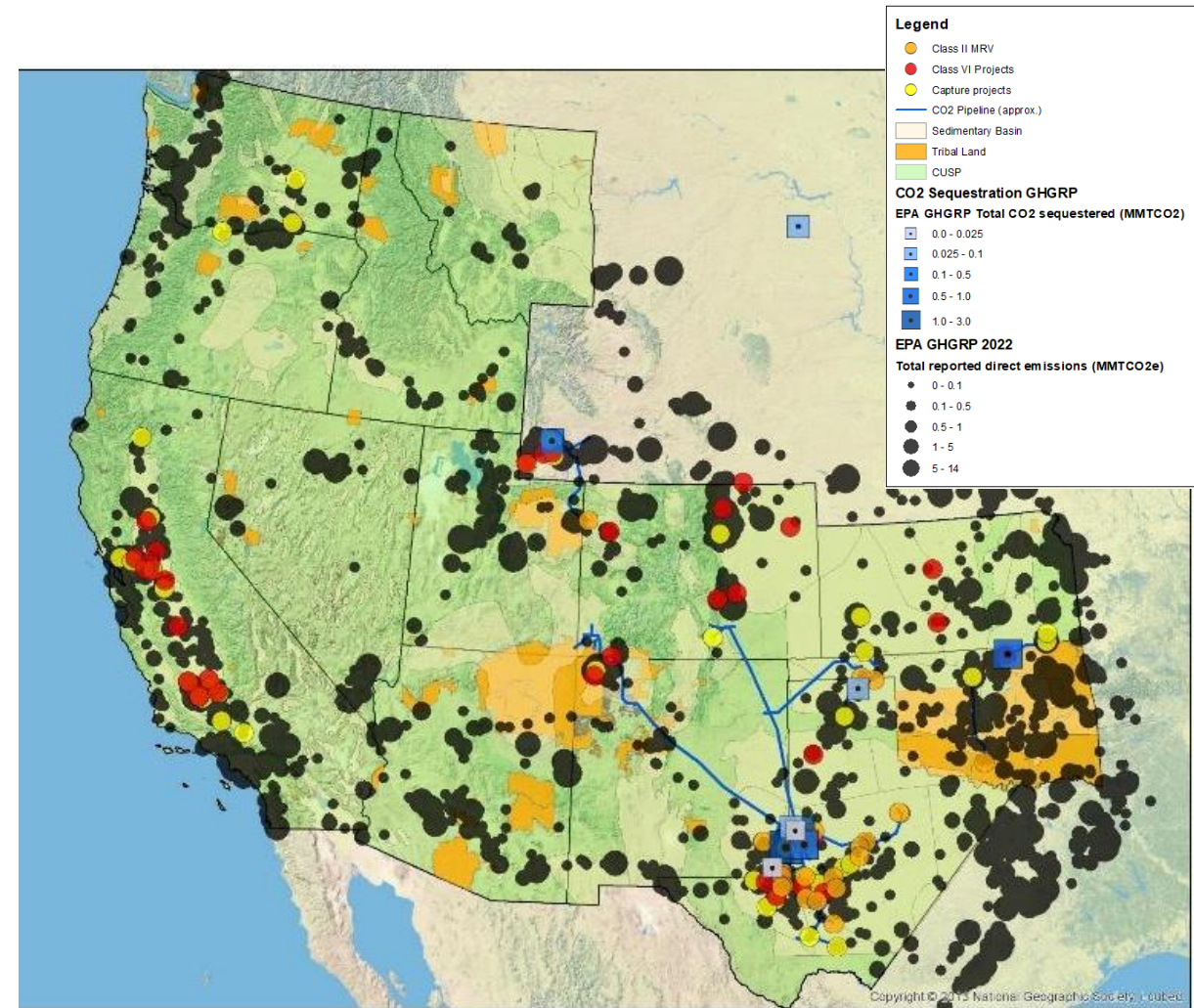
COMPREHENSIVE ENERGY TRANSITION STRATEGY (CETS)
PHASE 1 OVERVIEW

DATA MANAGEMENT
STRATEGY

Why this is important?



Data from Form EIA-860, Form EIA-923, and
Homeland Infrastructure Foundation-Level Data
(HIFLD),



Data from EPA GHGRP, CCUS Map
Fonquergne and Balch, CUSP

How do we get there? Data Analysis

Source Organization

Example: EIA, EPA, EMNRD, NMED, NMOCD...

Data Category / Class

Example: Electricity generation, emissions, transmission...

Data Subcategory

Example: Hourly load, consumption, volumes...

Spatial Granularity

Example: State → county → facility → lat/long points.

Temporal Granularity

Example: Hourly data, monthly data, annual data.

Update Frequency

Example: Updates hourly, monthly or annually.

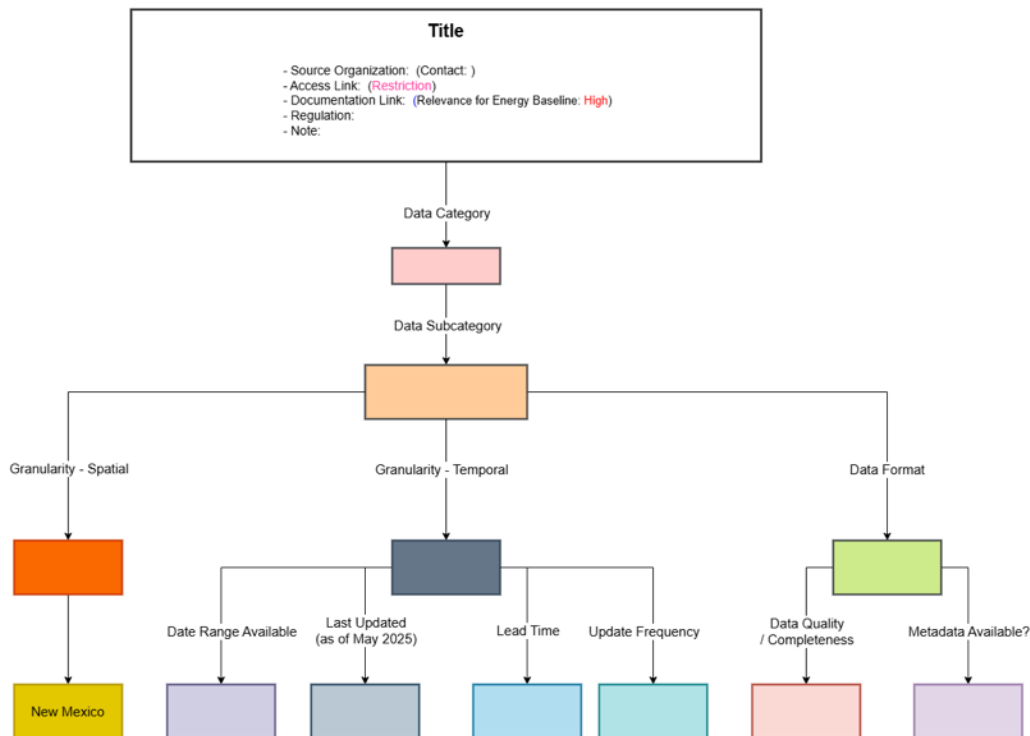
Lead Time

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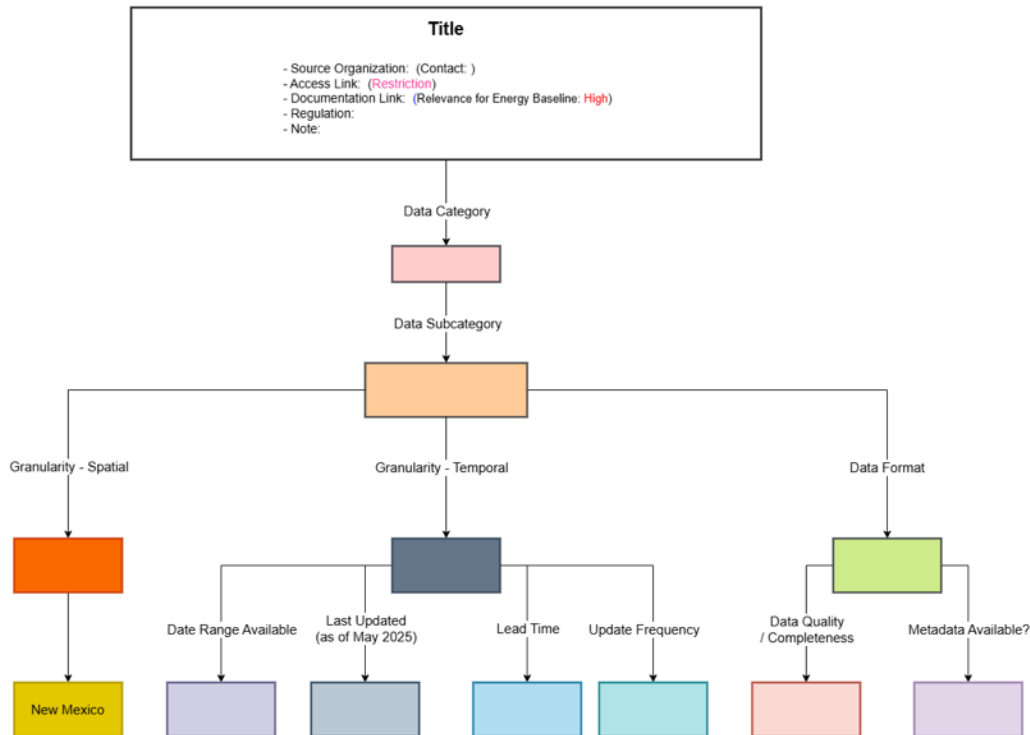
Data Format

Example: CSV, JSON/API, Excel, shapefile, PDF.

Data Quality / Completeness / Metadata Availability



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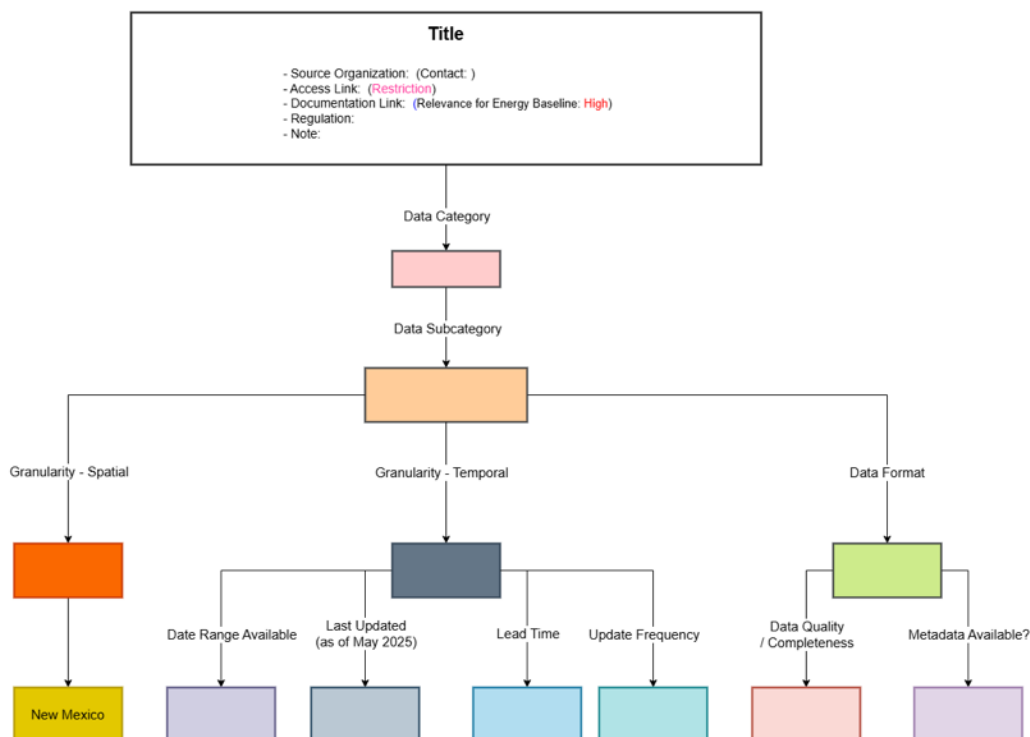
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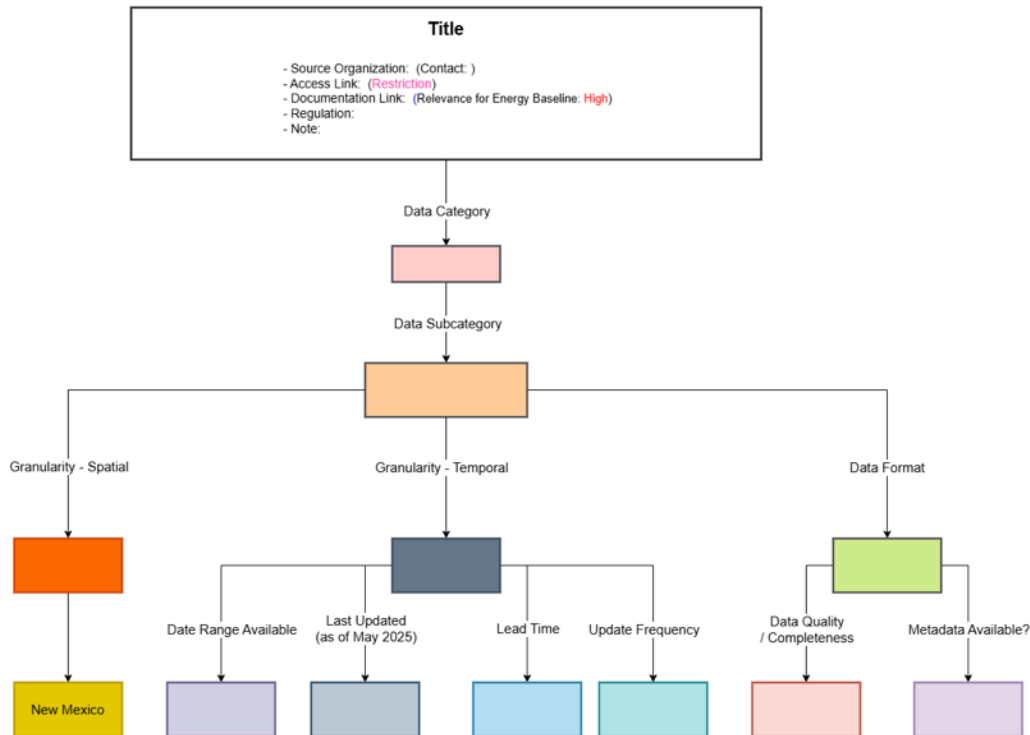
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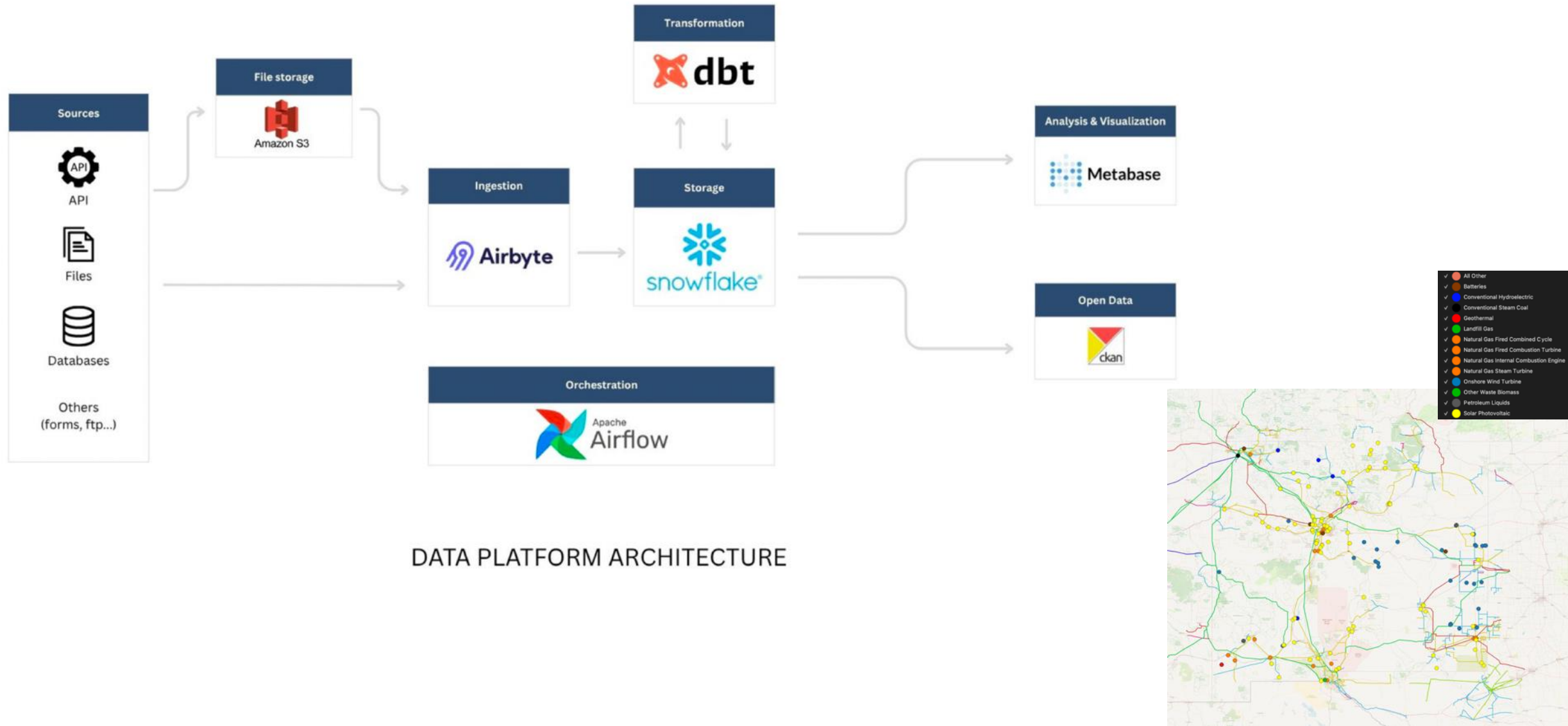
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What do we need? A Robust Data Platform



Strategy and Next Steps Needed.

1. Build a Unified Data Foundation

- Integrate energy, emissions, and infrastructure data from state, federal, and other sources.
- Use DETECT as a “database of datasets” to centralize and standardize information.
- Ensure robust, adaptable structure

2. Phased Development

- **Phase 1:** Public data → quick wins (EIA, EPA, OCD).
- **Phase 2:** Discussions with utilities, co-ops, state agencies → more granular data.
- **Phase 3:** Legislative authority → full statewide reporting, MRV-enabled system.

3. Enable Better Decisions, Transparency & Planning

- Support policymakers and communities with reliable data.
- Improve coordination and reduce data silos.
- Create dashboards, maps, and storytelling for engagement.

Digital Twin

