

Objective:
To position New
Mexico as a
national leader in
energy and natural
resources
management.



Energy, Minerals & Natural Resources Department

Sarah Cottrell Propst, Cabinet Secretary



Our Work

EMNRD has five public-facing divisions:

Energy Conservation and Management

Forestry

Mining and Minerals

Oil Conservation

State Parks

Our focus areas include climate change, mining and oil & gas industry oversight, outdoor recreation, resilient resource management, and expanding renewable energy.



Energy Transition Act

- Passed in 2019
- Benchmarks for Utilities:
 - 80% renewable energy by 2040
 - 100% zero carbon resources by 2045 as long as safety, reliability and impacts to customer bills are considered.
 - The Public Service Company of New Mexico (PNM) is on track to meet the zero-carbon requirement by 2040.
- Benchmarks for Rural Electric Cooperatives:
 - 100% zero carbon resources by 2050
 - Resources composed of at least 80% renewable energy, with considerations for technical feasibility, reliability, and affordability.



Implementing the ETA: Grid Modernization

- 2020: Grid Modernization Act signed into law, which:
 - Directs EMNRD to develop a strategic plan for energy grid modernization
 - Establishes competitive grant program for implementation
 - Competitive grant applications are currently under review
 - Allows New Mexico to more easily apply for federal grants for grid modernization projects
 - Directs the Public Regulation Commission to allow for reasonable cost recovery for utility grid modernization projects
 - The first grid modernization project has already been proposed to the PRC earlier this year



Grid Modernization Grant Program

- The Grant Program and Fund supports pilot projects that advance research and understanding of distributed grid technologies and upgrades
- Eligible projects will improve electric distribution or transmission infrastructure to expand renewables
- Eligible applicants include municipalities and county governments; state agencies; state universities; public schools; post-secondary education institutions; and tribes and pueblos.
- \$301,600 for grid modernization pilot projects available in FY22



Grid Modernization Process

- Fall 2020: Grid Modernization Advisory Group meets
 - Utilities, energy experts, consumer advocates, energy companies, and state regulators convened
 - Identified action-oriented recommendations and ways forward
- Draft technical white papers released in February 2021 for public review
 - Whitepaper topics: Advanced Metering Infrastructure, Advanced Inverters, Modifications to the Integrated Resource Plan, Customer Engagement, RTO Task Force, Distribution System Plan, Transmission Planning, Interconnection Manual, Rate Design, LMI Programs, Storage
- Recommendations based on the Group's discussions and whitepapers are under review, and some are already in progress



Key Recommendations From the Grid Modernization Advisory Group

- Update New Mexico's interconnection rules and manual
- Deploy advanced metering infrastructure statewide
- Proactively engage in regional transmission planning and consider joining a formal regional market
- Revise IRP processes to ensure more transparency and inter-utility coordination on resource adequacy
- Deploy community solar program
- Create new methods for bringing energy efficiency and beneficial electrification to traditionally underserved areas of the state



Implementation Progress

- In 2021, the state legislature passed a bill authorizing community solar programs in New Mexico; the PRC is currently engaged in rulemaking for community solar.
- The PRC has opened dockets on interconnection manual updates and the possibility of IRP revisions
- EMNRD is evaluating the first round of grid modernization grant applications
- The first grid modernization cost recovery petition has been filed at the PRC

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Thank you

Contact Info:

Sarah Cottrell Propst, Cabinet Secretary (sarah.propst@state.nm.us)

Lois C. Pedro, Executive Assistant (LoisC.Pedro@state.nm.us, 505-476-3316)