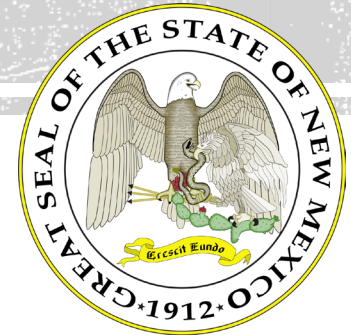


WORKING COLLABORATIVELY NM'S ENERGY TRANSITION WITH ETA, WSTN & WISH



Jason Sandel, ETAC Convener

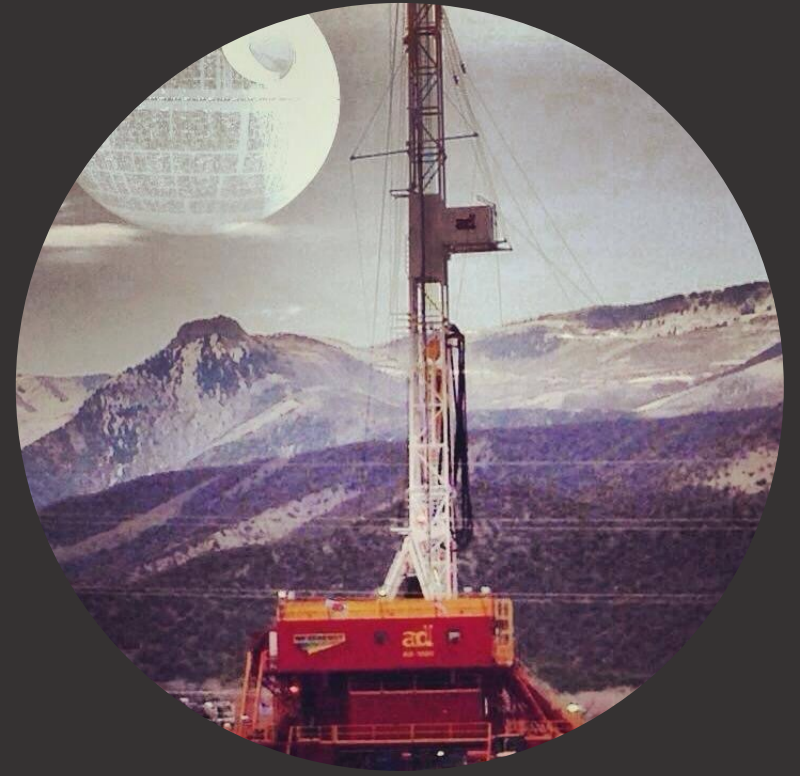
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BUSINESS & COMMUNITY

- Oftentimes it is the men and women of industry who take time away from their families, answer every beckon call, and risk life and limb such that people across the world can drive their cars, heat their houses and turn on their lights. For every lease explored, every well drilled, and every barrel or cubic foot produced, and Megawatt produced there is a roustabout, a truck driver, a coal miner or a floor hand who made it happen. I want to take a quick moment to reflect on all of those people who make today possible, and very simply say THANK YOU - we appreciate you, your hard work and dedication.



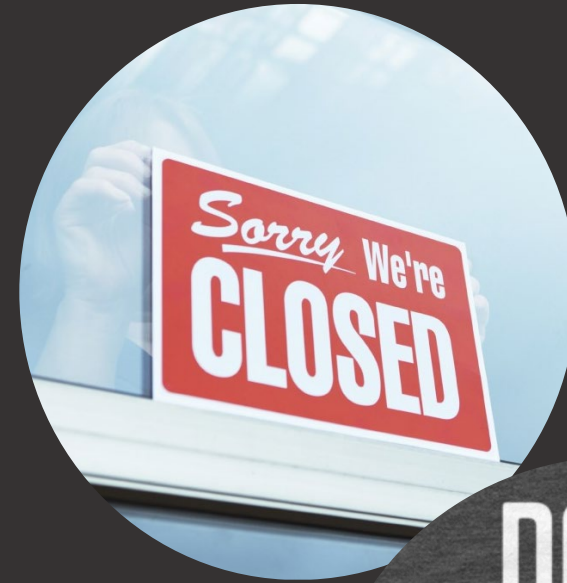
THE SAN JUAN EXPERIENCE

AMERICA'S FASTEST SHRINKING CITIES - 2016

1. Farmington, NM

- > **Population growth (2010-2015): -8.76%**
- > **Total population: 118,737**
- > **Per capita income: \$36,197**
- > **Unemployment rate: 7.8%**

- Farmington's population shrank by 8.8% in five years, faster than any other metro in the country, and has never recovered.
- We saw a massive decline in the health and wealth of our community since the global economic crisis in 2008. This decline is in both tribal and non-tribal communities and amongst union and non-union laborers. It is prolific, we worry, and we need hope. We are collectively the definition of an economically, socially, and racially disadvantaged community.

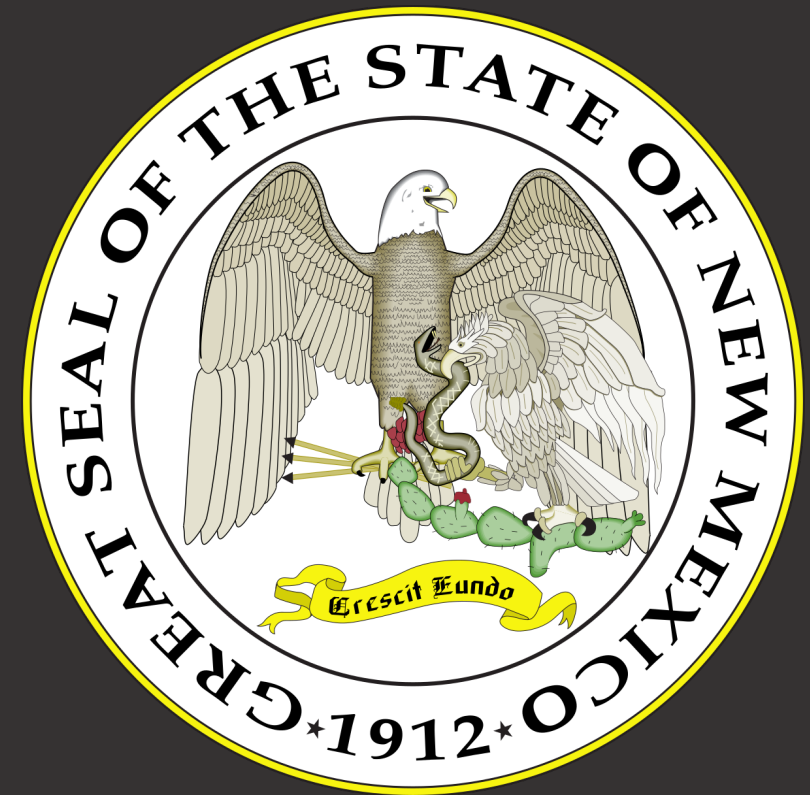


**DON'T
TURN YOUR
BACK
ON THOSE
IN NEED**

NM ETA (2019)

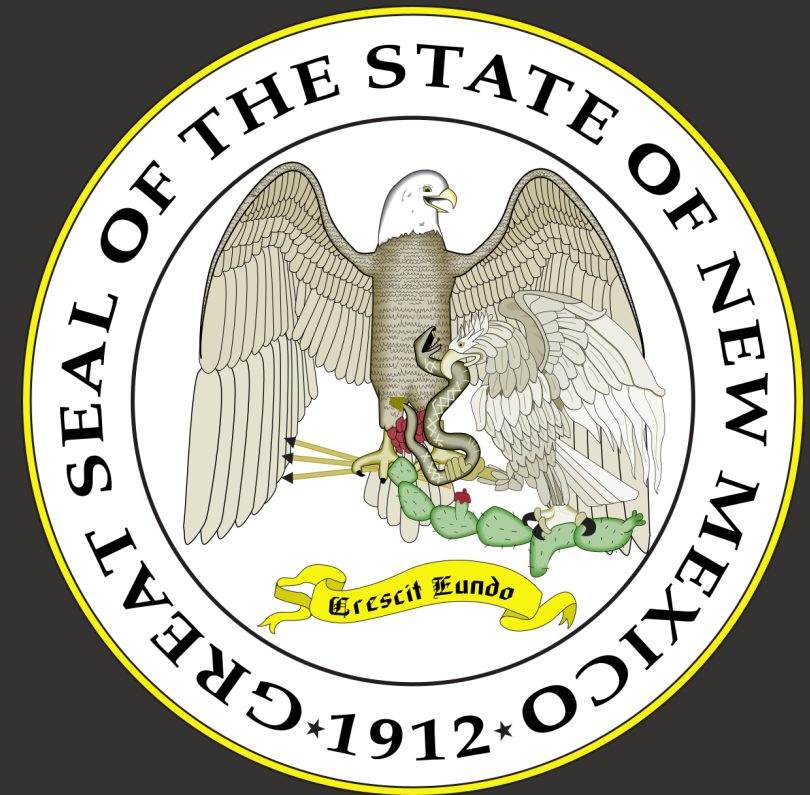
STATUTORY RENEWABLE PORTFOLIO STANDARD

- 50% carbon-free electricity by 2030.
- 100% carbon-free electricity by 2050.
- Securitization for San Juan Generating Station closure.
- Replacement power to be in affected area – now determined to be solar – not yet built.
- \$20 Million for payments to affected workers
- \$20 Million earmarked for “affected area” assistance Funds with specific purposes
 - \$12 Million to the Department of Workforce Solutions
 - \$2 Million to the Indian Affairs Department
 - \$6 Million the Economic Development Department



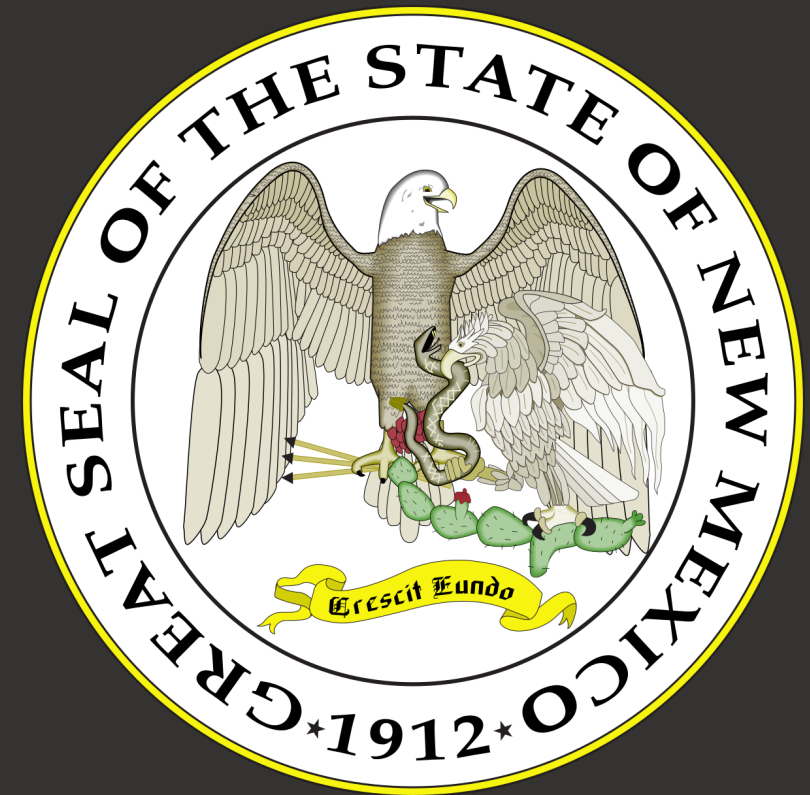
ETAC: COMMUNITY INPUT

- Conveners selected, and we decided to work collaboratively to build a unified community advisory committee.
- Developed with Base Closure Commissions as a model.
- Governor & Legislature recognized and prioritized the unique economic landscape of NWNM
 - Impact on tax impact to local school district
 - Natural gas commodity price decline since 2008
 - Intergovernmental relationships with Navajo Nation & other tribal entities.
- Statutory process requiring three public meetings and formal tribal consultation
- RFI Process: Transparency and Inclusion are critical to build broad based support from the community up.



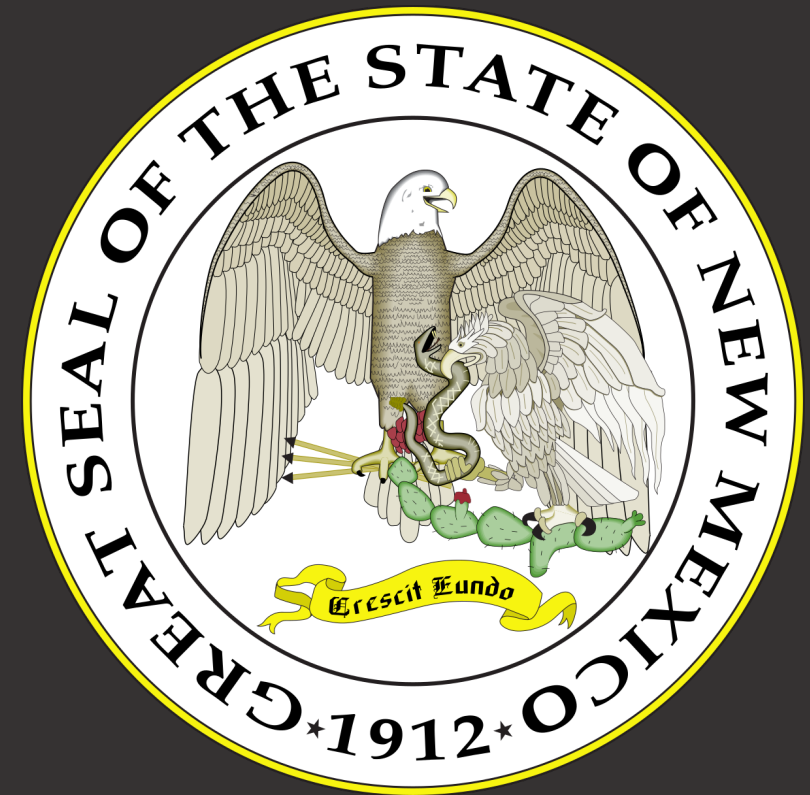
ETAC: RECOMMENDATION

- DWFS → \$12MM San Juan College → Workforce Uptraining
- EDD → \$6MM → Job Creation Projects
 - Sonoash
 - Pump Hydro
 - Libertad
 - Big Navajo Hydrogen
- IAD → \$2 MM → Community Projects



CHALLENGES

- Consensus for ETA fund appropriations without further legal challenges holding up distributions.
- Inadequate infrastructure for the intermountain west to continue to be the powerhouse for the Western United States and the decarbonization capitol of the world → permitting will present major challenges.
- Lack of NGO support for transitional industrial development in the United States.



WESTERN GOV'S

Western Governor's Association Policy Resolution 2018-04,
Energy in the West

Goal 4: Advance efficient environmental review, siting, and permitting processes that facilitate energy development and the improvement and construction of necessary electric grid (transmission and distribution) and pipeline infrastructure, while ensuring environmental and natural resource protection.

Objective 5: Encourage regional transmission planning organizations to conduct interconnection-wide planning with the full participation of the states and with consideration of state energy policies.

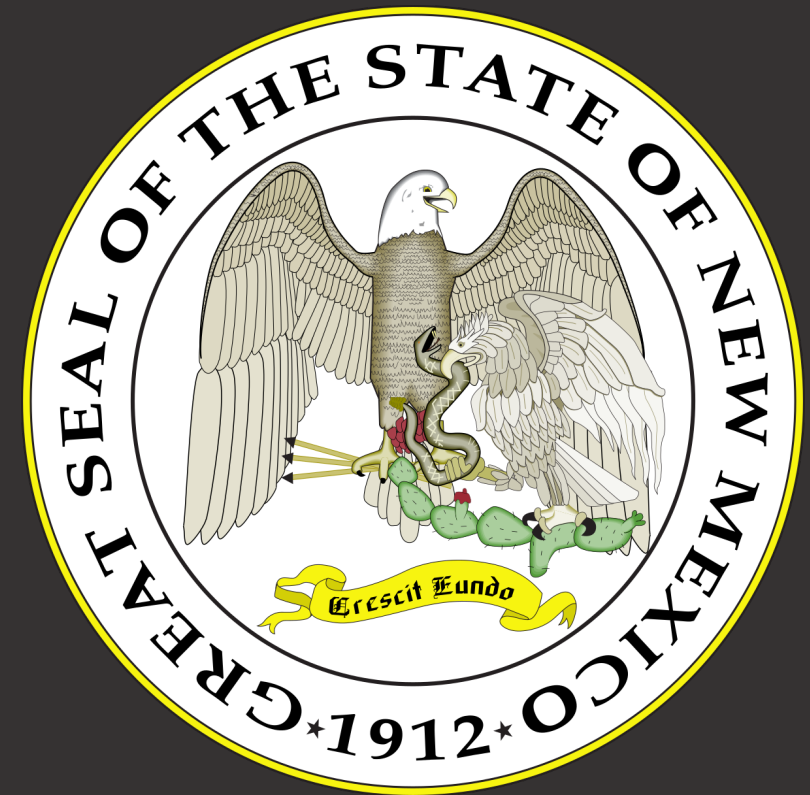
Objective 6: Create functional partnerships among states, federal agencies, tribal governments and local jurisdictions to solve conflicts that hinder energy infrastructure and resource development.

Objective 7: Increase cooperation on interstate projects through interstate compacts and other tools.



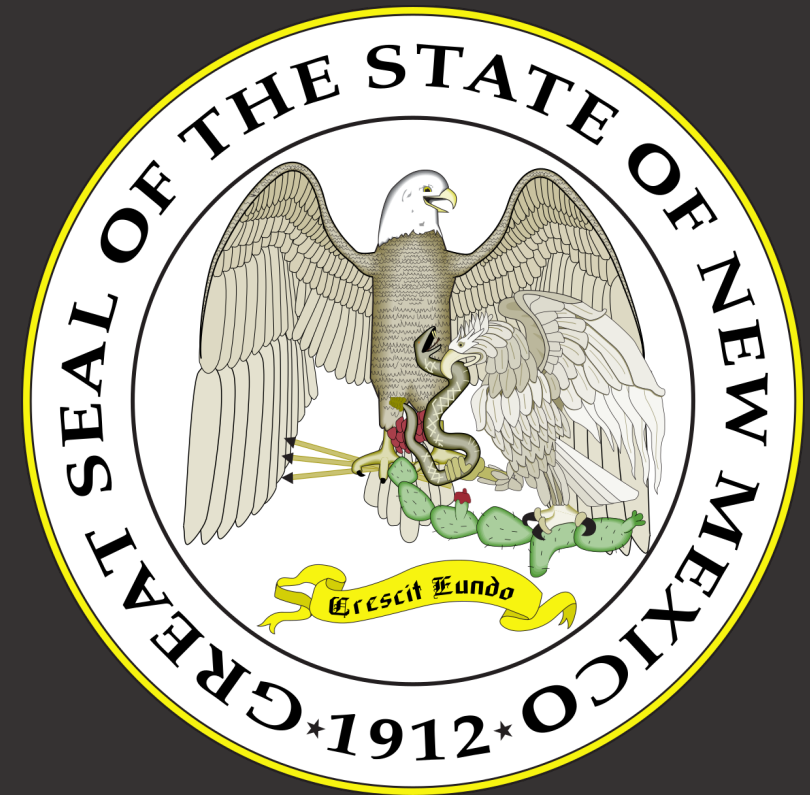
WSTN

- Nations, States and Tribal Nations working collaboratively focused on rural economic development, advancing tribal self-determination and reducing global emissions through clean energy exports from the Western USA.
- Commissioned peer-reviewed study that concludes that exporting rocky mountain natural gas to Asia would result in a 40% reduction in lifecycle emissions in the region.
- Focused on decarbonization efforts along the energy value chain via an infrastructure feasibility study in the western states (including CCUS) studying state-led regulations, net zero methane emissions, the existing resource base, further identification of infrastructure needs and options for financing (e.g. state bonding authority support), and establishing next steps for success.



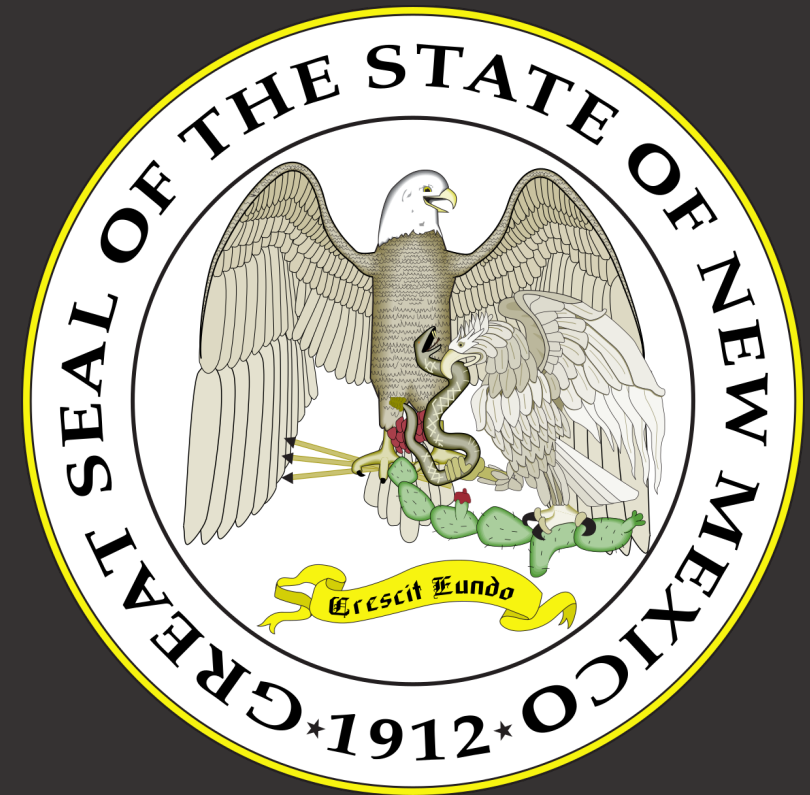
WISHH

- In some ways, the initiative was born from much of the background work put forward by New Mexico's National Labs LANL and Sandia – especially George Guthrie who headed up.
- Following the 2021 legislative session, Governor Lujan Grisham joined with the states of CO, UT and WY in the creation of the Western Inter-States Hydrogen Hub by way of a MOU. This type of collaboration is called for in the Western Governor's Association Policy Resolution 2018-04, "Energy in the West."
- The States committed to collaborate for the development of an inter-state hydrogen hub that "advances a compelling vision for a hydrogen economy, including production and use in the Western United States.
- Public concept paper released November 7, 2022 in an effort to receive permission from DOE to proceed with a full application. The paper highlights eight major H2 projects that will replace coal-fired power plants with a production of 1,000 MT/day by year 7 and 1900 MT by year 12.
- Many synergies and opportunities have been identified and presented especially related to Just Transition and Justice40 initiative. In,



ETAC EPILOGUE

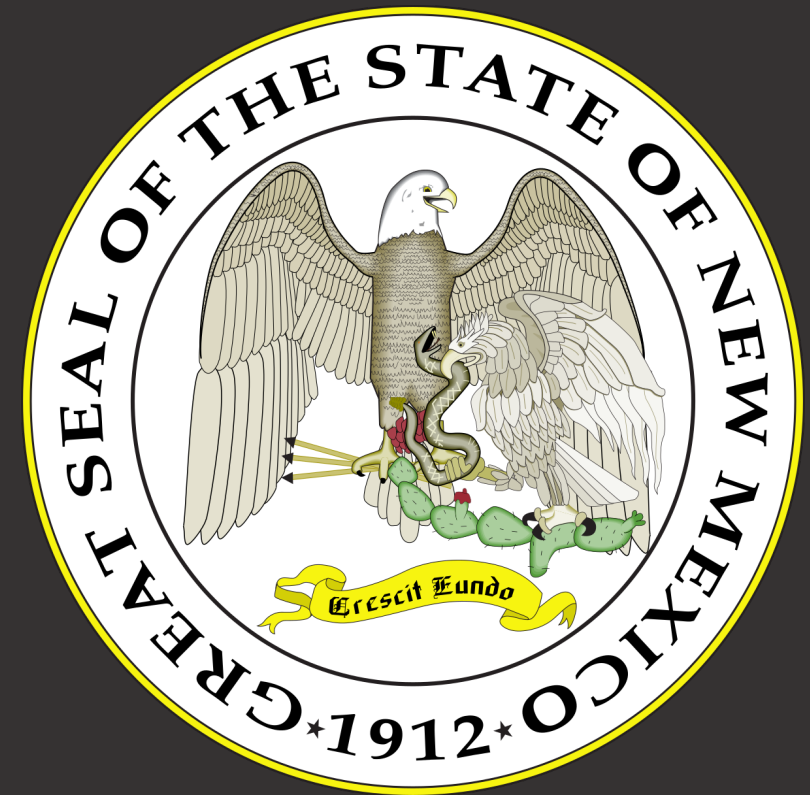
- DWFS sought and received additional \$10MM appropriation for direct payments for Westmoreland miners who did not receive severance payments.
- Other ETA Funds were required to go through a state procurement process.
- Funds not distributed in accordance with recommendations of community advisory commission.
- Many years after closure some funds remain undistributed.



RECOMMENDATION

HAVE THE AFFECTED COMMUNITY'S BEST INTEREST AT HEART RATHER THAN TRYING TO LIVE TO A SPECIFIC AGENDA PRECONCEIVED NOTION OR OBJECTIVE...REMEMBER CIVILITY.

- Be willing to listen
- Be willing to work together
- Be willing to work from inside the community as well as the state house
- Be willing to be flexible
- Be willing to be nimble
- Remember you are dealing with people's livelihoods who might not agree or believe in you, but you must believe in them.





“This is a really big deal. The Energy Transition Act fundamentally changes the dynamic in New Mexico. This legislation is a promise to future generations of New Mexicans, who will benefit from both a cleaner environment and a more robust energy economy with exciting career and job opportunities. Crucially, the Energy Transition Act does not leave affected workers and neighbors behind. We look out for each other. With this law, we seal that promise.”

Governor Michelle Lujan Grisham