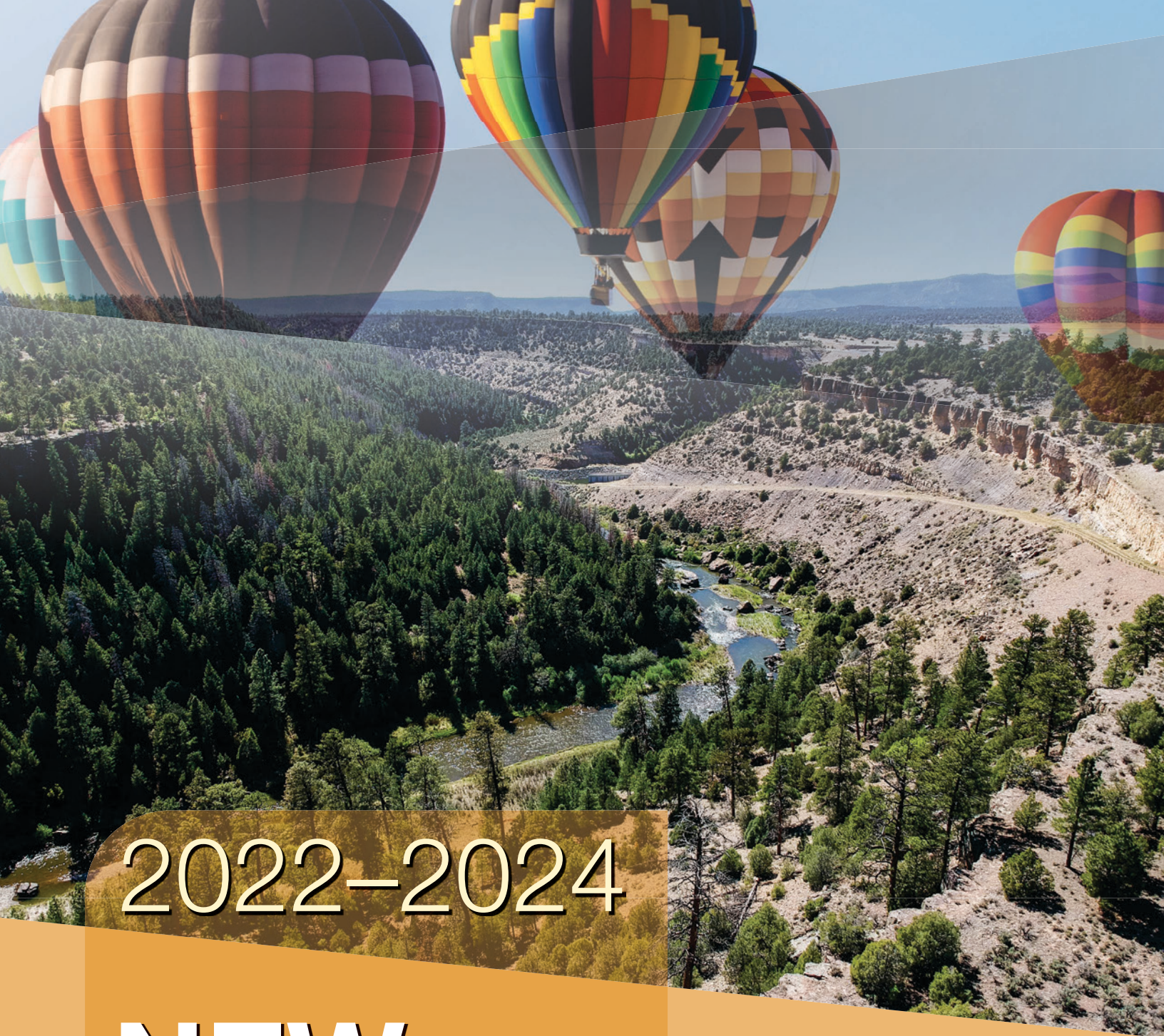




2022–2024

NEW MEXICO

Climate Strategy

New Mexico Interagency Climate Change Task Force

CLIMATE  REPORT
OCTOBER
2025

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CLIMATE PROGRESS REPORT: 2022–2024

MESSAGE FROM THE GOVERNOR'S OFFICE

Travis Kellerman, Senior Climate Policy Advisor
for the Office of the Governor



Since 2019, New Mexico has made, and set the course for, significant climate progress as we rush to achieve our climate goal of reducing statewide greenhouse gas emissions by at least 45% by 2030 as compared to 2005 levels. The guiding directive has been Executive Order 2019-003, Addressing Climate Change and Energy Waste Prevention, which not only set the state target but recognized our responsibility and opportunity to build a clean energy future for our residents, limit adverse climate change impacts that harm our natural and cultural heritage, prevent the waste of New Mexico energy resources, and reduce pollution that threatens human health.

As you will see in this latest 2022-2024 Climate Strategy Report, our state has fulfilled the policy directives in the executive order, while moving closer to achieving the 45% reduction goal. We have become the first state in the Intermountain West to authorize a Clean Transportation Fuel Program (CTFP) market mechanism to bring new investment and cleaner fuels to our region, brought online 2,434 megawatts (MW) of renewable power generation to serve demand, and upgraded our building codes to be electric vehicle (EV) charger-ready in both urban and rural communities across the state to fuel cleaner vehicles as more become available from vehicle manufacturers.

Thanks to new climate-focused capacity at state agencies – including 22 full-time staff at the New Mexico Environment Department (NMED); Energy, Minerals, and Natural Resources Department (EMNRD); New Mexico Department of Transportation (NMDOT); and Economic Development Department (EDD) – we are able to spend more time in your communities – from adaptation and resilience planning to grant awards and tax credit programs – to listen and ensure we are moving forward together in the race to achieve our goal.

Our metrics show this strategy is working. In December 2024, NMED issued our most up-to-date Greenhouse Gas Inventory and Forecast yet. It shows that in 2025 greenhouse gas emissions in New Mexico are expected to be approximately 29% below 2005 levels, surpassing the 2025 emission reduction goal of 26% to 28% below 2005 levels originally established by the United States under the Paris Climate Agreement. However, our same analysis also shows that more needs to be done with 2030 projections falling short at 32%.



In response, we have already launched Climate Action Planning in 2025 led by Climate Change Task Force agency co-chairs NMED and EMNRD to identify how we can close the gap in emissions reductions, invest in climate workforce development programs, and increase economic development opportunities through programs like Clean Transportation Fuels.

Look for both in-person outreach in your community and ways to participate online as we continue to build on our achievements and ensure all New Mexican communities benefit from our climate work together.

A handwritten signature in black ink, appearing to read "Travis Kellerman", located above the printed name.

TRAVIS KELLERMAN,
SENIOR CLIMATE POLICY ADVISOR FOR THE OFFICE OF THE GOVERNOR

2022–2024 CLIMATE ACTION BY THE NUMBERS

EMISSIONS REDUCTIONS

REDUCED

The 2024 Greenhouse Gas Inventory and Forecast demonstrates we have reduced annual statewide emissions of carbon dioxide equivalent (CO₂e) by **13.5 million metric tons (MMT)** compared to the 2005 baseline.

PROJECTED

Under our current policies, we are projected to reduce annual statewide CO₂e emissions by **30.7 MMT** by 2030, a 32% reduction from the 2005 baseline.

STILL NEEDED

To meet our 2030 goal of a 45% reduction in annual CO₂e as compared to 2005, we need **12.7 MMT** of further CO₂e reductions.

INDUSTRY, OIL, AND GAS

98% Gas Capture by 2026

EMNRDS's Oil Conservation Division (OCD) natural gas waste rules will mandate 98% gas capture from oil and gas production and midstream operations by the end of 2026 and prohibit routine venting and flaring. Since implementation, OCD has processed 12,743 Upstream C-115B reports, 1,032 Midstream C-115B reports, and 141,247 C-129 reports. These reports track volumes of natural gas venting and flaring; the introduction of midstream reporting marks an advancement in capturing previously untracked venting and flaring data. The C-129 reports provide detailed records of individual venting events within 24-hour periods, enhancing the state's emissions monitoring and enforcement efforts.

Plugging Orphaned Wells to Prevent Methane Leakage

Since receiving an initial \$25 million federal grant on October 1, 2022, New Mexico has plugged 137 orphan wells during fiscal years 2023 and 2024 using Bipartisan Infrastructure Law (BIL) funds, which is an important step to prevent methane leakage. Additional efforts included plugging 13 wells in fiscal year 2023 and 28 wells in fiscal year 2024 through the New Mexico Reclamation Fund, along with two wells funded by the Bureau of Land Management in fiscal year 2024. In June 2024, the state secured an additional \$25 million through the BIL formula grant program to continue these efforts.

An Estimated 297,000 metric tons (MT) of Methane Reduced by 2030

NMED's rules governing ozone precursor pollutants that continue to phase in through 2030 will not only reduce ozone pollution and toxic air contaminants will reduce methane emissions. NMED's rules are estimated to reduce methane emissions by 297,000 MT by 2030, a 54% reduction from emissions in 2020.

Oil and Gas Companies Pay Settlements for Excess Emissions

Eight high-profile settlements between NMED and oil and gas companies in 2023 and 2024 led to almost \$125 million in settlements paid into New Mexico's General Fund. The eight cases resulted from excess emissions of harmful air pollutants, including hydrogen sulfide, sulfur dioxide, nitrogen oxides (NO_x), carbon monoxide, and volatile organic compounds. NMED's enforcement also ensures that greenhouse gases, including methane and carbon dioxide from excess emissions, are kept in check. Case details and developments are provided at NMED's [Enforcement Watch](https://www.env.nm.gov/enforcement-watch/).¹

¹ <https://www.env.nm.gov/enforcement-watch/>

2022–2024 CLIMATE ACTION BY THE NUMBERS



TRANSPORTATION

518 New EV Chargers and 790 Total EV Chargers Statewide

Between 2022 and 2024, New Mexico dramatically expanded its public EV charging capabilities. Visitors to New Mexico can now pick up a rented EV at the Albuquerque Sunport, travel to ski in Taos, explore the Navajo Code Talker Exhibit in Gallup, or visit the camping sites at Caballo Lake State Park with the comfort of reliable charging nearby owing to New Mexico's strategic investments in EV infrastructure. According to [EValueateNM](https://atlaspolicy.com/evaluatennm/),² between 2022 and 2024, 518 new charging outlets were installed at businesses, fueling stations, and public parking areas across the state: 93 in 2022, 196 in 2023, and 229 in 2024. Statewide, there are now 790 publicly available individual charging outlets.

Funding for EV Infrastructure

NMDOT received a \$67.7 million federal grant to deploy EV chargers in local communities and along major travel corridors. NMDOT will allocate \$63.8 million to construct two EV charging centers for medium- and heavy-duty commercial EVs along Interstate 10, serving as a crucial link in the nation's first high-power charging network for heavy-duty trucks. Additionally, in January 2024, NMDOT announced the [allocation of \\$11.9 million](https://www.dot.nm.gov/blog/2024/01/24/nmdot-announces-first-round-of-funding-awards-for-11-9-million-from-national-electric-vehicle-infrastructure-nevi-formula-funding/)³ in the first round of [National Electric Vehicle Infrastructure \(NEVI\) Formula](https://afdc.energy.gov/laws/12744)⁴ funding for 84 new EV chargers across the state. This initiative is part of a broader plan, with New Mexico set to receive a total of \$38.3 million between fiscal years 2022 and 2026.

Clean Fuels

In March 2024, the New Mexico legislature passed and the governor signed the [CTFP](https://nmos.nmsa/en/item/4415/index.do#74-1-18)⁵ law that requires the carbon footprint of transportation fuel to drop by 20% by 2030 and 30% by 2040. This market-based program will (1) establish a statewide carbon intensity standard for transportation fuels and (2) create a marketplace to buy, trade, and sell credits based on whether fuels are above or below that standard. The ultimate goal of the marketplace is to reduce the overall pollution from transportation fuels used in New Mexico and incentivize fuel producers and importers to reduce their carbon footprint. Rulemaking development is underway.



² <https://atlaspolicy.com/evaluatennm/>

³ <https://www.dot.nm.gov/blog/2024/01/24/nmdot-announces-first-round-of-funding-awards-for-11-9-million-from-national-electric-vehicle-infrastructure-nevi-formula-funding/>

⁴ <https://afdc.energy.gov/laws/12744>

⁵ <https://nmos.nmsa/en/item/4415/index.do#74-1-18>

2022–2024 CLIMATE ACTION BY THE NUMBERS

New Motor Vehicle Emissions Standards

In 2023, New Mexico joined 12 other states in adopting New Motor Vehicle Emissions Standards. This policy ensures that New Mexico is not left behind in battery electric vehicle (BEV) and plug-in hybrid vehicle (PHEV) deliveries to car dealerships for purchase. NMED estimates that in 2050 alone, the New Motor Vehicle Emissions Standards will save New Mexican residents between \$27.5 million to \$61.9 million in health care costs. Implementation of these rules will also (1) decrease NO_x from the transportation sector by 43%, (2) decrease PM_{2.5} by 24%, and (3) reduce greenhouse gas emissions by 64% — the equivalent of taking 2.6 million cars off the road. According to [EValueNM](https://atlaspolicy.com/evaluatennm/)⁶, in 2022, 2,223 BEVs and 933 PHEVs were registered in New Mexico. In 2023, 3,729 BEVs and 1,455 PHEVs were registered, and in 2024, 3,854 BEVs and 1,440 PHEVs were registered, showing overall increases in residents using clean cars and trucks.

\$9.9 Million to Reduce Diesel Emissions in Public Transportation

From 2022–2024, NMED awarded approximately \$9.9 million to recipients for projects reducing emissions from diesel-fueled vehicles. In total, these projects leveraged approximately \$5.4 million in private investment and \$6.8 million in other public investment, totaling \$12.2 million in additional investment (a 1.23:1 leverage ratio). Projects included replacing and retrofitting freight trucks, school buses, public transportation buses, freight switcher locomotives, and airport ground support equipment and building zero-emission vehicle (ZEV) chargers. Funding for these projects is administered by [NMED's New Mexico Clean Diesel Program](#),⁷ which receives funds from the Diesel Emissions Reduction Act and [Volkswagen settlement funds](#).⁸ Reducing diesel emissions significantly benefits public health, as it means cleaner air for schoolchildren, bus riders and drivers, freight operators, and the general public.

Low-Carbon Transportation Materials (LCTM)

In 2024, NMDOT was awarded \$29.8 million from the LCTM Grant to implement an LCTM program and significantly reduce the carbon intensity of materials in state construction, maintenance, and rehabilitation activities. The initial focus is toward reducing the use of carbon-intensive construction materials, such as asphalt and concrete materials, which account for nearly [7% of global carbon dioxide emissions](#).⁹ Future work under the LCTM program may aim to reduce other significant carbon-containing construction materials like steel.



⁶ <https://atlaspolicy.com/evaluatennm/>

⁷ <https://www.env.nm.gov/air-quality/diesel/>

⁸ <https://www.env.nm.gov/vw-settlement/>

⁹ <https://wedocs.unep.org/handle/20.500.11822/43293>

2022–2024 CLIMATE ACTION BY THE NUMBERS

Clean Car and Charging Units Tax Credits

In 2024, New Mexico took a major step toward a cleaner transportation future by introducing tax credits for new and used BEVs, hybrids, fuel cell vehicles, and charging infrastructure. These incentives are already making an impact. In 2024, 469 vehicles and 135 charging units were approved for tax credits¹⁰, helping drive up electric vehicle registrations from 1.86% of total registrations in 2023 to 2.97% in 2024¹¹.

In New Mexico, an individual who has purchased or enters a new lease of a qualifying new or used PHEV, BEV, or fuel cell vehicle between May 15, 2024, and prior to January 1, 2030, from a New Mexico licensed motor vehicle dealer or a dealer located on tribal land, may be eligible to apply for a clean car income tax credit of up to \$3,000. Through New Mexico Transportation Electrification Plans, utilities can provide additional rebates and rates. As the state's new Motor Vehicle Emission Standards move toward requiring that 82% of all new light- and medium-duty vehicles delivered to New Mexico be low- or zero-emission by 2032, even more residents are expected to take advantage of the Clean Car and Charging Units Tax Credit and join the shift to cleaner, more efficient vehicles.



State Purchasing Power

[Executive Order 2023-138 on State Clean Fleets](#)¹² enacted in 2023 requires all state agencies to acquire ZEVs for all new vehicle acquisitions when one or more ZEV options for the appropriate class of vehicle are available. The executive order defines ZEVs as (1) BEVs, (2) PHEVs, and (3) fuel-cell EVs. All state agencies must transition to a full ZEV fleet by 2035, and all state agencies must work with the General Services Department to include the installation of Level 2 or Level 3 EV charging stations in the design and construction of any new facilities. By the end of 2024, NMDOT and the General Services Department, which oversee the state's largest vehicle fleets, had a combined total of 182 battery BEVs, hybrid, and fuel-cell EVs.



¹⁰ <https://www.arcgis.com/apps/dashboards/65659c8a3ff24ead85468beed1d6bbc8>

¹¹ <https://atlaspolicy.com/evaluatnm/>

¹² <https://www.governor.state.nm.us/wp-content/uploads/2023/10/Executive-Order-2023-138.pdf>

2022–2024 CLIMATE ACTION BY THE NUMBERS



ELECTRICITY

37% Decline in Electricity Sector Carbon Dioxide Emissions

Largely because of the 2019 Energy Transition Act (ETA), the electricity sector is rapidly decarbonizing. In 2021 (the last year for which we have complete data), in-state electricity sector carbon dioxide emissions declined 37% from 2005.

128 MW of New Solar Capacity Will Bring Further Carbon Dioxide Reductions

Through the [Solar for All program](#),¹³ EMNRD will fund solar system installations and improvements for low-income households across New Mexico. Eligible projects include rooftop solar systems on single-family homes, and larger-scale community solar and storage projects that will allow multiple households to tap into the system. Between 2024 and 2029, the program is anticipated to serve 24,000 households, prevent approximately 110,000 MT of carbon dioxide emissions per year, and create 40 MW of new rooftop solar capacity and 88 MW of shared solar capacity.

2,434 MW of New Renewable Power Generation Since 2022

From 2022 to 2024, 2,434 MW of renewable power generation came online in New Mexico—an almost 75% increase in renewable generation since the last report.

10,768 Solar Market Development Income Tax Credit Applications Approved

From 2022 to 2024, 10,768 [Solar Market Development Tax Credit](#)¹⁴ applications were approved, saving New Mexicans more than \$34.13 million on residential and commercial solar. This resulted in 87.4 MW of installed distributed solar capacity.



¹³ <https://www.emnrd.nm.gov/ecmd/fac/solar-for-all-program/>

¹⁴ <https://www.emnrd.nm.gov/ecmd/tax-incentives/solar-market-development-tax-credit-smdtc/>

2022–2024 CLIMATE ACTION BY THE NUMBERS

BUILDINGS

Updated Building Codes Will Reduce 9.8 MMT of Carbon Dioxide Emissions

In January 2024, New Mexico formally adopted the 2021 International Energy Conservation Code for commercial and residential buildings. Over the next few decades, through 2040, these updated building codes are expected to prevent [9.8 MMT of carbon dioxide emissions](#)¹⁵ while ensuring that New Mexicans realize the economic benefits of more efficient building standards.

760 Sustainable Building Tax Credit (SBTC) Applications Approved

The state has incorporated an [SBTC](#)¹⁶ program to incentivize cutting-edge sustainable building practices and energy-efficient products. From 2022 to 2024, 760 applications for the tax credit were approved, using \$5.4 million of the \$21.45 million available.

Over \$11 Million Allocated for Energy Efficiency Improvements

\$10 million from the state-funded [Community Energy Efficiency Development Program](#)¹⁷ and an additional \$1.76 million from the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant Program have been allocated to underserved communities across New Mexico for residential energy efficiency improvements. These funds may be applied toward equipment upgrades, devices that improve energy efficiency, and programs to encourage energy-efficient consumer behavior. As projects begin in 2025, communities will be able to lower energy bills and reduce emissions.

Emissions and Energy Bills Reduced with Weatherization

[Housing New Mexico's Weatherization Assistance Program](#)¹⁸ provides weatherization services to low-income households across the state, improving water and power efficiency and lowering utility bills for New Mexicans. In 2022, 667 homes were weatherized through WAP. In 2023 and 2024, 973 and 582 homes were weatherized, respectively. The average utility bill savings per household was \$933 per year, with particularly high savings in rural areas that may be dependent on propane. From 2022 to 2024, weatherization resulted in natural gas savings and energy efficiency improvements, preventing 10,161 MT of carbon dioxide emissions.

¹⁵ https://www.energycodes.gov/sites/default/files/2025-01/Impacts_of_Model_Energy_Codes_2025.pdf

¹⁶ <https://www.emnrd.nm.gov/ecmd/tax-incentives/sustainable-building-tax-credit-sbtc/>

¹⁷ <https://www.emnrd.nm.gov/ecmd/ceed/>

¹⁸ <https://housingnm.org/programs/home-rehabilitation-and-weatherization/energymart-weatherization-assistance>

2022–2024 CLIMATE ACTION BY THE NUMBERS



NATURAL AND WORKING LANDS

30 by 30 Framework

The state continues to implement Governor Lujan Grisham’s Executive Order 2021-052, Protecting New Mexico’s Lands, Watersheds, Wildlife, and Natural Heritage, to conserve at least 30% of all lands in New Mexico by 2030. New Mexico’s 30 by 30 framework complements a nationwide “America the Beautiful” initiative to protect the lands and waters of the United States, and it is tailored to honor New Mexico’s traditional land uses while promoting biodiversity, encouraging outdoor recreation opportunities, and protecting watersheds. The New Mexico Forestry Division helped document that 35% of the state’s lands are conserved, with over 39 MMT of carbon sequestered on private lands that include forests, woodlands, and grasslands.

13,506 Acres Treated Via the Forest and Watershed Restoration Act (FAWRA)

FAWRA-funded projects enhance the adaptability and resilience of New Mexico’s forests and watersheds to climate change and wildfire, improve water quality, and support economic activity associated with wood harvesting. In 2024, 13,506 acres of state land were treated using [FAWRA funds](#),¹⁹ with 27 projects underway or completed using \$5 million of the \$8 million allocated by FAWRA in 2019. The Land Legacy fund now provides an additional \$1.4 million annually for the FAWRA fund, increasing the annual recurring funding to approximately \$3.4 million. Two FAWRA projects in New Mexico have been recommended for fiscal year 2025: restoring 6,000 acres in the Marquez/L Bar Wildlife Management Area, and reducing wildfire risk for 107,000 acres in the Santa Fe fireshed.

\$124.1 Million in Clean Water State Revolving Fund (CWSRF) Projects

The CWSRF program provides low-interest loans for a wide range of wastewater and stormwater projects that protect surface water and groundwater resources. Through CWSRF, communities can address sustainability, resiliency, and vulnerability issues highlighted by climate change. From 2022 to 2024, CWSRF funded 38 new projects totaling nearly \$124.1 million; 26 of these were designated for the construction of critical wastewater infrastructure or modeling and analysis to address emerging environmental contaminants.

¹⁹ https://www.emnrd.nm.gov/officeofsecretary/wp-content/uploads/sites/2/emnrd_annual_report_2024.pdf

2022–2024 CLIMATE ACTION BY THE NUMBERS

ADAPTATION AND RESILIENCE

New Mexico Releases First Climate Adaptation and Resilience Plan (CARP)

In 2023, EMNRD's Climate Policy Bureau held a series of workshops with over 25 state agencies to foster cross-departmental collaboration, enhance understanding of climate impacts, and create a shared framework for resilience efforts to develop priority actions for New Mexico's first [CARP](https://www.climateaction.nm.gov/carp/).²⁰ In 2024, EMNRD held seven community workshops and one tribal-focused workshop on CARP to better reflect community priorities, enhance transparency and clarity, tailor resilience strategies and actions to New Mexico's diverse localities and population, and foster increased engagement and collaboration on resilience efforts across the state. Through interagency collaboration and the development of CARP, state agencies have begun to incorporate climate adaptation into their programs and operations, aligning with the state's vision for a clean energy future, protection of natural and cultural heritage, and the safeguarding of human health and safety. In 2025, EMNRD will launch the next phase of CARP to focus on implementation.

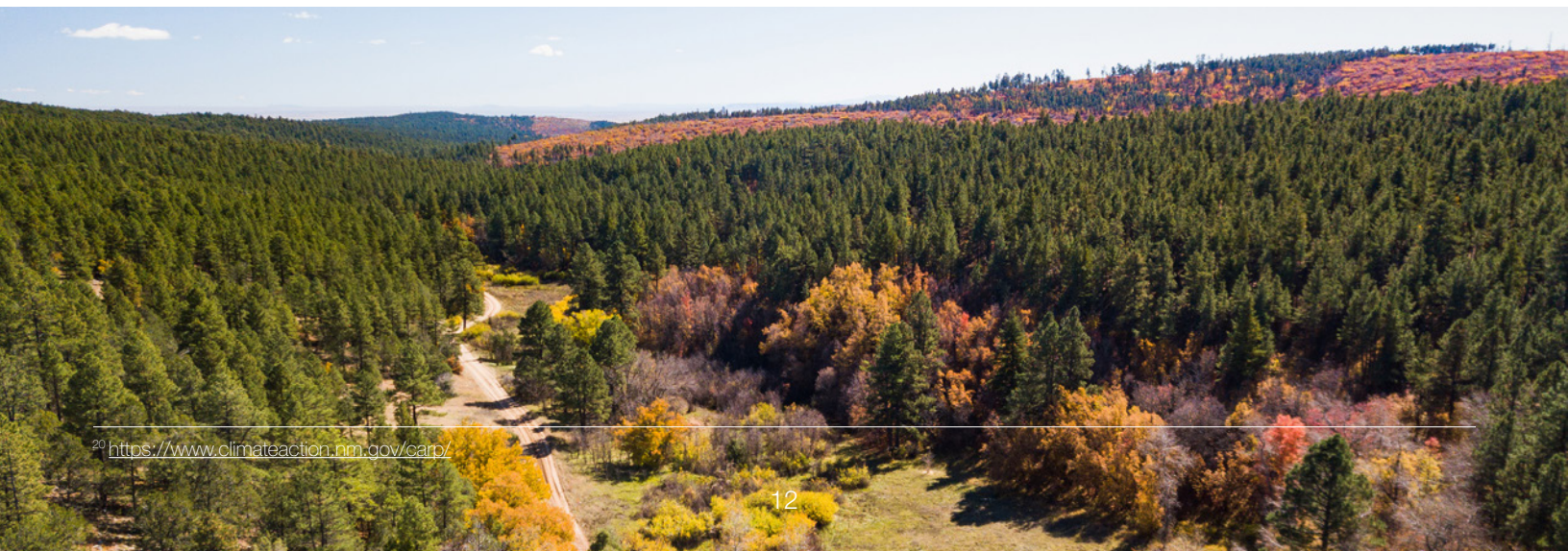
Nine Water Infrastructure Restoration Projects Under the U.S. Environmental Protection Agency's (EPA's) Clean Water Act Section 319 Grants

Restored and properly functioning watersheds are more resilient to the adverse environmental effects associated with climate change. EPA's Clean Water Act Section 319 helps entities receive grant money for a wide variety of activities to assess nonpoint-source pollution in watersheds. This has allowed New Mexico's Nonpoint Source Management Program to receive funding support on nine watershed restoration projects.

564 Samples Collected from Private Well Owners as a Part of the Water Fairs Program

The Water Fair Program provides private well owners information about well ownership, testing, maintenance, and water quality. The program is part of an initiative that provides a proactive approach to strengthening local resilience through safeguarding water resources. The program supported collecting 564 samples in 2024. With each well water test sample costing \$150, the program has saved New Mexicans nearly \$85,000.

²⁰ <https://www.climateaction.nm.gov/carp/>





SCIENCE, DATA, AND MODELING

Scientists have identified an increase of 1.5 degrees Celsius above the preindustrial global average temperature as the point at which climate change becomes severely dangerous to human life and society. From February 2023 to January 2024, global temperatures averaged more than 1.5 degrees Celsius above preindustrial levels for the first time in a 12-month period of record.²¹ While the 1.5 degrees Celsius goal refers to a long-term temperature increase over decades, exceedances during individual months and years are early signs we are exceeding the long-term limit.

Even at current levels of global warming, communities across New Mexico are already dealing with the wildfires, droughts, floods, and extreme temperatures that come with increasing temperatures and variable precipitation patterns driven by climate change. The unique geography and diverse climates within New Mexico result in a complex climate risk profile, affecting government operations, critical infrastructure, natural resources, economies, culture, and the overall well-being of its residents. In 2022, before the monsoon season, 90.6% of New Mexico was experiencing “extreme” and “exceptional” drought conditions, the highest level in 22 years. That same year, New Mexico experienced the two largest wildfires in the state’s history: the Calf Canyon/Hermit’s Peak Fire, burning over 340,000 acres in the Sangre de Cristo Mountains, and the Black Fire in the Black Range, burning over 325,136 acres. These and other devastating wildfires, such as the South Fork Fire near Ruidoso in 2024, have continued to impact New Mexicans’ lives through flooding, mudflow, and debris flows.²² The 2023

Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report predicts that increases in drought and fire will be a certain consequence of continued climate change in western North America.²³ Limiting greenhouse gas emissions and ensuring that global warming stays at or below 1.5 degrees Celsius is crucial for a healthy, secure, and prosperous future for all New Mexicans.

WHERE WE ARE

In December 2024, NMED issued its latest Greenhouse Gas Emissions Inventory and Forecast, providing the most cutting-edge analysis to date on the state’s emissions reductions achieved and projected. NMED commissioned Eastern Research Group and Energy and Environmental Economics to conduct this analysis, which utilized the best available past emissions data from 2021 to provide the most accurate reporting to date.²⁴ The state is using the 2024 Greenhouse Gas Emissions Inventory and Forecast to track progress towards the state greenhouse gas emissions reduction goals and will continue to update and improve greenhouse gas emissions data and modeling in 2025 as more data becomes available. The 2024 Greenhouse Gas Emissions Inventory and Forecast provides emissions estimates for 2021, the most recent year for which data are available for most source categories. Therefore, the year 2021 now provides a refreshed benchmark and is referenced throughout this report.

²¹ United Nations. n.d. “1.5°C: What it means and why it matters.” <https://www.un.org/en/climatechange/science/climate-issues/degrees-matter>.

²² New Mexico Department of Homeland Security and Emergency Management. n.d. State of New Mexico Fire and Flood Recovery: Community Development Block Grant – Disaster Recovery Action Plan. <https://www.dhsem.nm.gov/2025-02-07-no-track-revised-new-mexico-cdbg-dr-action-plan-1/>.

²³ IPCC. 2023. *Climate Change 2023: Synthesis Report*. Contribution of Working Groups I, II, and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. H. Lee and J. Romero (eds.). IPCC, Geneva, Switzerland, pp. 35–115. DOI: 10.59327/IPCC/AR6-9789291691647.

²⁴ The nature of greenhouse gas inventories and forecasting is an iterative process that both analyzes actual emissions data reporting from the past and incorporates policy and other advancements into the future.

SCIENCE, DATA, AND MODELING

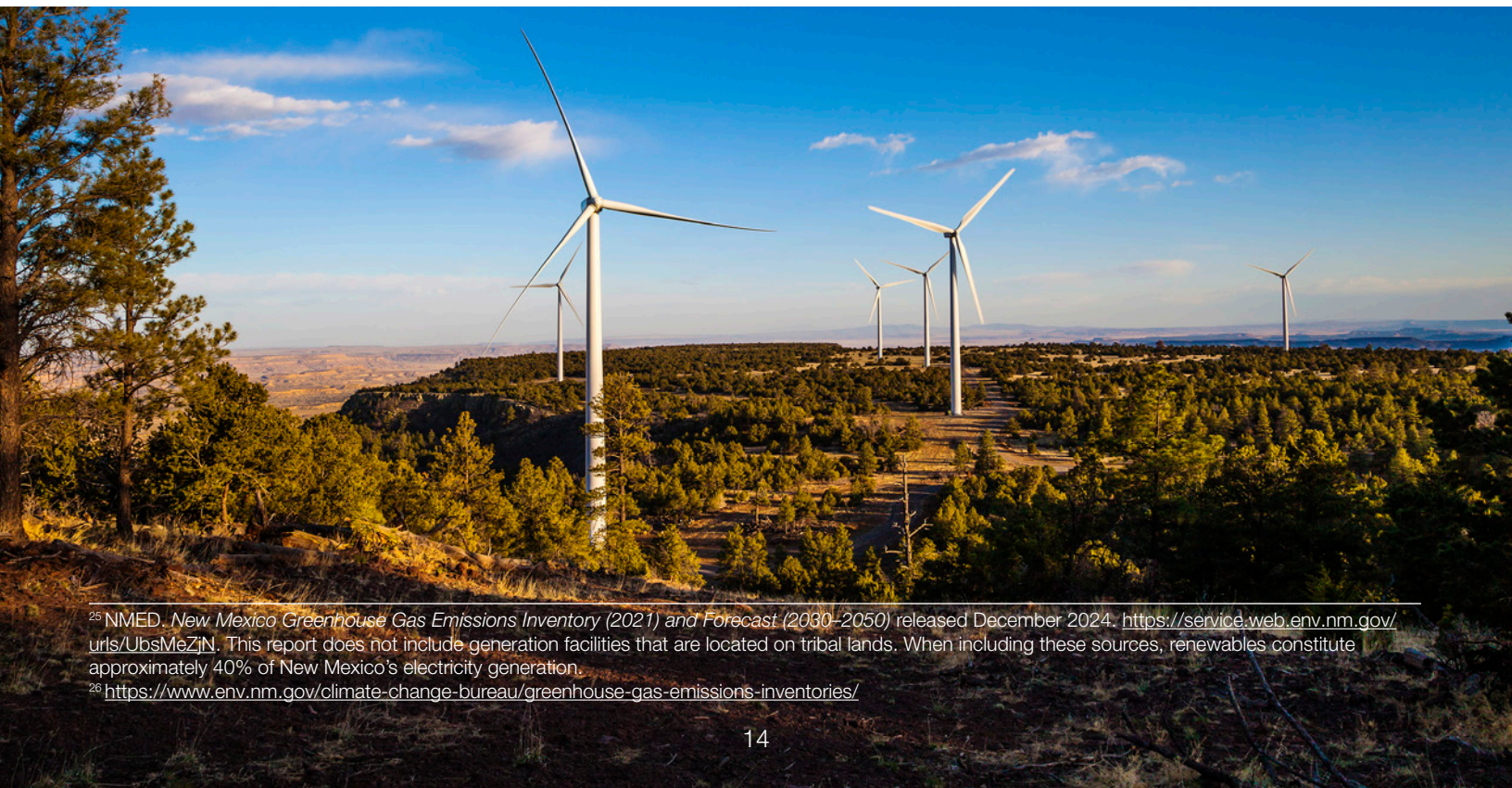
Key findings in the 2024 Greenhouse Gas Inventory and Forecast include:

- In 2021, New Mexico produced approximately 83 MMT of greenhouse gas emissions.
- On average, the per-person emissions for New Mexicans is 39.2 MT of greenhouse gas emissions, more than double the national average of 19.1 MT.
- Renewable energy now contributes about 60% of current in-state electricity generation (2,434 MW of new renewable power generation added from 2022 to 2024).²⁵
- Federal requirements, improvements in field infrastructure, better emissions data, and more efficient production practices led to an approximate 36% reduction in methane emissions in the oil and gas sector between 2005 and 2021.

For complete information on the state's 2024 Greenhouse Gas Emissions Inventory and Forecast, and past inventories, visit [Greenhouse Gas Emissions Inventories](https://www.env.nm.gov/climate-change-bureau/greenhouse-gas-emissions-inventories/).²⁶

WHERE WE ARE HEADED

In 2025, greenhouse gas emissions in New Mexico are forecasted to be 29% below 2005 levels. This surpasses the 2025 emission reduction goal of 26% to 28% below 2005 levels originally established by the United States under the Paris Climate Agreement and subsequently committed to by the United States Climate Alliance, of which New Mexico is a member. Based on current climate measures, in 2030, greenhouse gas emissions in New Mexico are estimated to be 32% below 2005 levels, indicating that additional measures are needed to achieve the state's 2030 goal. New Mexico has been working on many projects aimed at reducing greenhouse gas emissions from the top emission sources in the state. The work to identify additional emissions reduction measures will be carried out in 2025 by developing New Mexico's Climate Action Plan (CAP).



²⁵ NMED, *New Mexico Greenhouse Gas Emissions Inventory (2021) and Forecast (2030–2050)* released December 2024. <https://service.web.env.nm.gov/urls/UbsMeZjN>. This report does not include generation facilities that are located on tribal lands. When including these sources, renewables constitute approximately 40% of New Mexico's electricity generation.

²⁶ <https://www.env.nm.gov/climate-change-bureau/greenhouse-gas-emissions-inventories/>

SCIENCE, DATA, AND MODELING

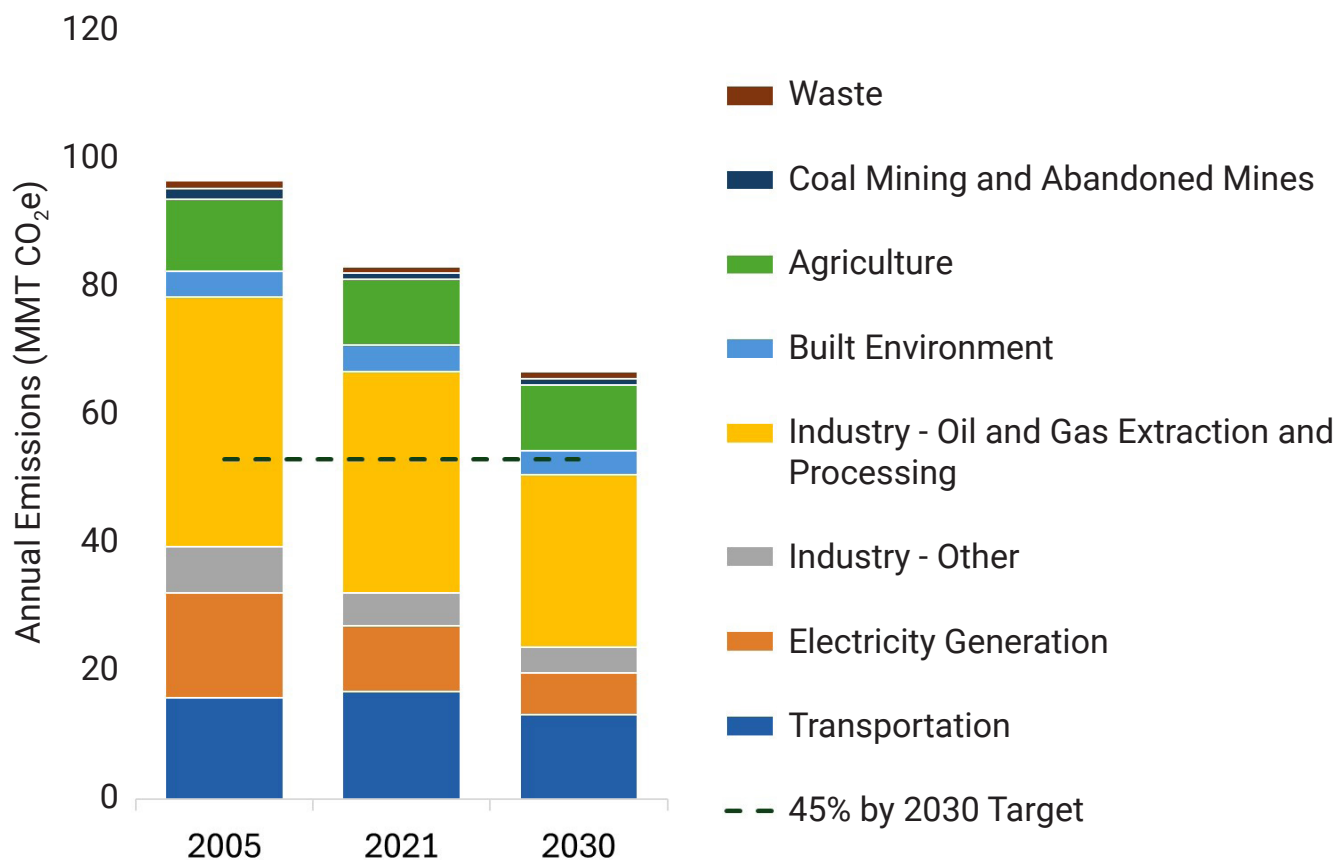


Figure 1 Statewide Emissions by Sector in 2005, 2021, and 2030

SCIENCE, DATA, AND MODELING

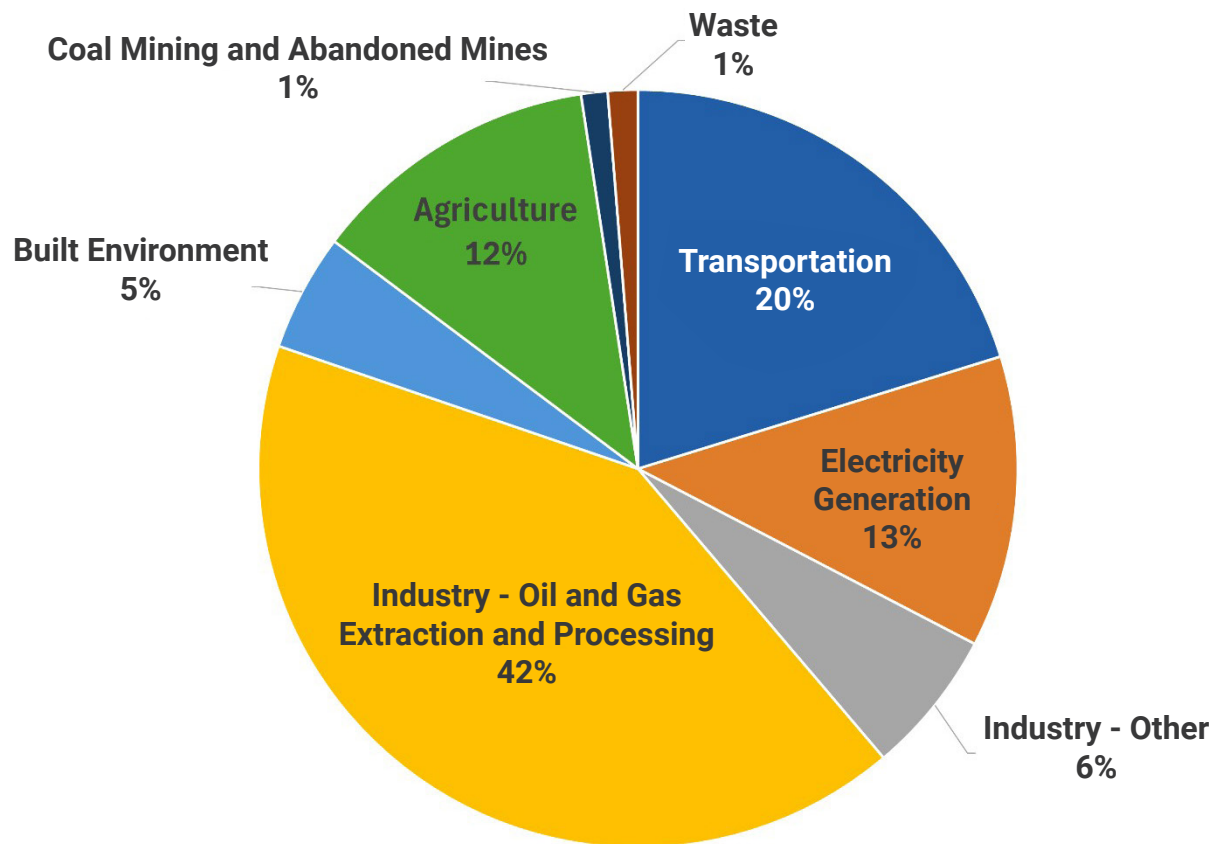


Figure 2 Total New Mexico Greenhouse Gas Emissions by Economic Sector from the 2024 Greenhouse Gas Inventory and Forecast



EMISSIONS TRENDS AND REDUCTION STRATEGIES BY SECTOR

INDUSTRY

Based on the 2024 Greenhouse Gas Inventory and Forecast, the industrial sector remains the largest source of greenhouse gas emissions in New Mexico, at 39.5 MMT of CO₂e, approximately 48% of total emissions. Industrial emissions come from the combustion of fuels to run processes and emissions from the production and manufacturing processes themselves. Examples of businesses in the industrial sector are oil and gas production, refineries, cement plants, manufacturing facilities, and data centers.

OIL AND GAS

Emissions from oil and gas extraction accounted for 40% of the state's total greenhouse gas output.²⁷ Oil and gas emission sources include venting of methane and methane leaks from equipment, carbon dioxide from the combustion of methane during flaring, and carbon dioxide from the combustion of fuel used to power equipment. Methane is 27 to 30 times more potent than carbon dioxide over a 100-year period in driving global warming. However, it has a shorter atmospheric life-span.²⁸ Therefore, taking immediate action to reduce methane emissions can slow temperature rise by mid-century, making it one of the most critical steps New Mexico can take to mitigate the near-term impacts of climate change. However, it is also crucial to address carbon dioxide to curb the long-term effects of climate change.

Emissions analyses and projections show substantial reductions in methane emissions from the oil and gas sector between 2005 and 2030 (reduced by 72%), and total greenhouse gas emissions from the oil and gas sector are projected to be 33% below 2005 levels by

2030. However, by 2030, emissions of carbon dioxide from fuel combustion in the oil and gas sector are projected to be 30% higher than 2005 levels.

EMNRD's methane waste rule is both unique to the state and nationally leading. Per the rule, each operator must reduce their waste by a fixed amount each year to achieve a gas capture rate of 98% by December 31, 2026. The rule prohibits routine venting and flaring except in emergencies or malfunctions and applies to all operations within New Mexico including production wells, gas gathering pipelines, and boosting facilities. Learn more at [Methane Waste Rule](#).

NMED's rule governing ozone precursor pollutants, the Ozone Precursor Rule,³⁰ became effective in August 2022 and phases in through 2030. The rule reduces ozone pollution and toxic air contaminants from the oil and gas industry and has the co-benefit of reducing methane emissions.

Using data from its MethaneSAT satellite, the Environmental Defense Fund³¹ analyzed methane emissions across the Permian Basin, including the Delaware sub-basin, throughout 2024 and 2025. The satellite observations revealed wide differences in methane intensity, defined as the amount of methane released relative to natural gas production, across the basin. Emissions levels were notably lower on the New Mexico side compared to Texas. EDF attributes this contrast largely to New Mexico's stronger methane regulations, introduced in 2021, along with more proactive leak detection and emission control measures adopted by operators in the state.

²⁷ NMED. New Mexico Greenhouse Gas Emissions Inventory (2021) and Forecast (2030–2050) released December 2024. <https://service.web.env.nm.gov/urls/UbsMeZjN>.

²⁸ <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>.

²⁹ <https://www.emnrd.nm.gov/ocd/methane-waste-rule/>

³⁰ 20.2.50 New Mexico Administrative Code (NMAC) Oil and Gas Sector – Ozone Precursor Pollutants. <https://www.srca.nm.gov/parts/title20/20.002.0050.html>

³¹ https://www.edf.org/methanesat-observations-reveal-lower-methane-intensity-new-mexicos-permian-basin-associated?utm_source=chatgpt.com

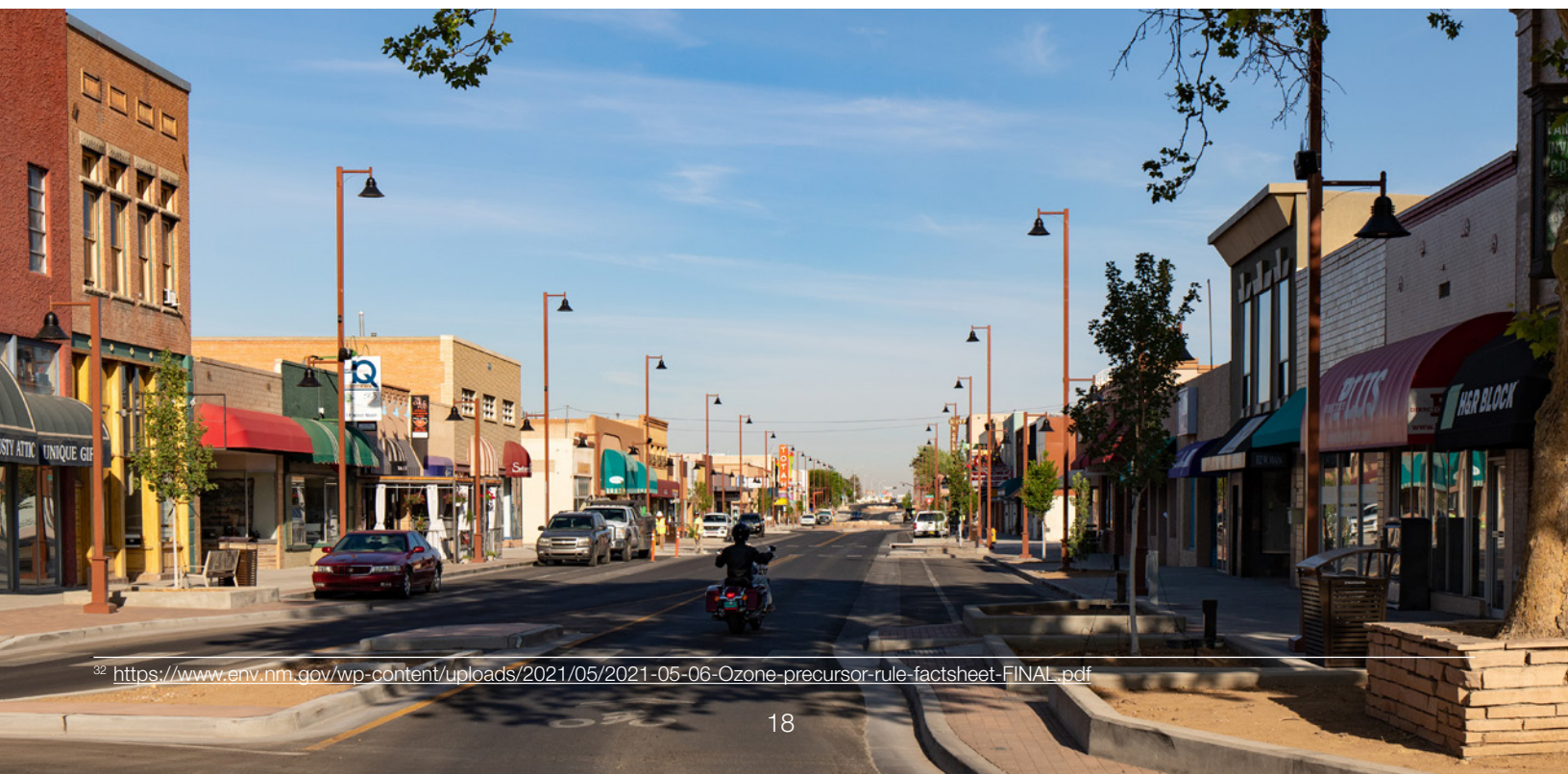
The Ozone Precursor Rule is nationally leading and served as a model for EPA as it adopted requirements to reduce methane emissions from the oil and gas industry through 2024. New Mexico's Ozone Precursor Rule comprehensively regulates oil and gas emissions, including the following:

- Enforceable rules for new and existing sources that apply to all wells, large or small, with appropriately scaled requirements
- Technology agnostic emission controls and monitoring practices that encourage the use of innovative approaches
- Frequent leak detection and repair requirements that reduce emissions for fence-line communities while creating local jobs
- Emission-reduction requirements for significant sources of methane including storage tanks, pneumatic controllers and pumps, natural gas well liquid unloading, compressors, glycol dehydrators, hydrocarbon liquid transfers, pig launching and receiving, well workovers, and produced water management units

An example of emission-reduction requirements for significant sources of methane is replacing pneumatic controllers with non-emitting controllers. Controller replacement will take place in three phases (starting January 1, 2024; January 1, 2027; and January 1, 2030), with the percentage of non-emitting controllers increasing at each phase. By 2030, an [estimated 80% to 98% of pneumatic controllers will be replaced. The estimated reductions of annual emissions from the Ozone Precursor Rule](#)³² are 106,420 short tons of volatile organic compounds, 23,148 short tons of NOx, and up to 425,000 MT of methane.

OTHER INDUSTRIAL SOURCES

Other (non-oil and gas) industrial sources (e.g., refineries, cement plants, manufacturing facilities) accounted for 6% of the state's total greenhouse gas output. Emissions from these industrial sources are estimated to have declined 29% from 2005 to 2021. Further reductions from industrial sources are projected this decade, leading to an estimated 44% reduction in industrial (non-oil and gas) source emissions from 2005 levels by 2030.



³² <https://www.env.nm.gov/wp-content/uploads/2021/05/2021-05-06-Ozone-precursor-rule-factsheet-FINAL.pdf>

TRANSPORTATION

Transportation represents a critical challenge and opportunity for New Mexico's climate action. Transportation is the state's second-largest source of greenhouse gas emissions, contributing 20% of total emissions (16.77 MMT CO₂e). Addressing this sector's diverse sources of emissions, from personal vehicles to aviation, requires a multifaceted approach.

New Mexico's transportation strategy centers on three primary policy initiatives: accelerating the transition to clean vehicles, incentivizing clean fuels, and strategically reducing vehicle miles traveled. Although emissions from this sector rose 6% from 2005 to 2021, primarily because of increased diesel use, New Mexico is making strides to reduce sector emissions. The policies outlined in the paragraphs that follow are projected to yield an 11% decrease in diesel use and a 29% decrease in gasoline use from 2021 to 2030, leading to a 17% reduction in transportation emissions below 2005 levels by 2030 and a 54% reduction in emissions below 2005

levels by 2050. The State of New Mexico recognizes the unique needs of our rural communities and the importance of ensuring equitable access to cleaner transportation solutions for all New Mexicans.

New Motor Vehicle Emissions Standards

In 2022 and 2023, New Mexico joined 12 other states in adopting leading-edge policies to reduce greenhouse gas emissions from motor vehicles by implementing [New Motor Vehicle Emissions Standards](https://www.srca.nm.gov/parts/title20/20.002.0091.html)³³ under Section 177 of the Clean Air Act. These rules apply to auto manufacturers only, not to auto dealers or state residents.

Beginning with vehicle model year 2027, which starts January 2, 2026, auto manufacturers must comply with NMVES. For new passenger cars and light-duty trucks, auto manufacturers can decide to comply with NMVES



³³ 20.2.91 NMAC New Motor Vehicle Emission Standards. <https://www.srca.nm.gov/parts/title20/20.002.0091.html>

TRANSPORTATION

by delivering more new EVs (up to 43%) of their total new vehicles shipped to New Mexico for sale or auto manufacturers can decide to meet NMVES by opting to utilize a variety of flexibilities offered by the state. These flexibilities include delivering low-emission, PHEVs; earning early action credits beginning with model year 2023; taking advantage of one time credits; and getting credit for vehicles delivered to other states, known as “pooling.”

Like the light-duty requirements, manufacturers comply with NMVES for medium- and heavy-duty trucks beginning with model year 2027 by delivering a certain percentage of new zero-emission trucks for sale, depending upon the vehicle class, or by using other flexible compliance options.

For all manufacturers only – not auto dealers or state residents – the compliance percentages gradually increase over time. The NMVES ensures that New Mexicans who decide to purchase EVs receive priority for the newest and cleanest vehicles and that all state residents receive the economic and health benefits that come from less air and climate pollution. Learn more at [New Motor Vehicle Emissions Standards](#).³⁴

Utilizing State Purchasing Power and Incentives to Aid with Transition

New Mexico is also applying its own purchasing power to assist with the transition to increased low-emission vehicles and ZEVs and needed infrastructure. The governor has directed all state agencies to (1) acquire ZEVs for all new vehicle acquisitions and (2) transition to a full zero-emission fleet by 2035. As part of this effort, state agencies are revising their policies as appropriate to fulfill this directive. New policies impact employee training and the development of goals and requirements for ZEV acquisition and deployment.

Additionally, from 2022 to 2024, NMED designated approximately \$9.19 million to projects that are now reducing emissions from diesel-fueled vehicles. Projects

included retrofitting and replacing aging, highly-polluting freight trucks, school buses, public transportation and shuttle buses, freight switcher locomotives, airport ground support equipment and building ZEV chargers. Approximately \$860,000 of these funds derive from EPA Diesel Emissions Reduction Act funding administered by NMED’s [New Mexico Clean Diesel Program](#).³⁵ The remainder derive from [Volkswagen settlement](#)³⁶ funding. Through these funds, businesses, municipalities, and school districts replaced or improved 28 freight trucks and 14 school/shuttle/transit buses, installed 69 ZEV chargers across the state, and upgraded diesel-engine freight cars and equipment for heavy industries. The vehicle improvements made through these programs will lead to over 200 MT of



In 2023, with funding from NMED, Goodwill Industries of New Mexico purchased two zero-emission Nikola Motors electric semi-trucks. These trucks allow Goodwill Industries to continue to provide their valuable services to the Albuquerque metro area, while reducing the environmental impacts. Over the lifetime of these trucks, over 520 tons of carbon dioxide emissions will be avoided, along with NOx and fine particulate matter (PM_{2.5}). These avoided emissions will reduce Goodwill Industries’ carbon footprint while improving the health of our communities.

(Credit: Goodwill Industries of New Mexico)

³⁴ <https://www.env.nm.gov/climate-change-bureau/transportation/>

³⁵ <https://www.env.nm.gov/air-quality/diesel/>

³⁶ <https://www.env.nm.gov/vw-settlement/>

TRANSPORTATION

NOx reductions over project lifetimes. Reducing diesel emissions improves public health and protects New Mexicans from harmful emissions of fine particles, ozone, and air toxics that can exacerbate asthma and other respiratory symptoms.

To ensure affordability, EMNRD currently offers a variety of tax credits that incentivize New Mexican residents to purchase clean cars, allowing them to save money and protect the air in the state. In addition to federal incentives, New Mexicans can get up to \$3,000 to buy a clean car in-state, up to \$400 to install an at-home vehicle charging station, and up to \$25,000 to install a Level 3 charging station. Learn more at [Energy Conservation and Management \(ECAM\)](#).³⁷

Most of the electric utility companies that serve New Mexico also offer incentives for residents who purchase

EVs and install charging stations. Qualifying customers may receive cash rebates for the purchase of an EV and/or charging station. Learn more at [Clean Car Incentives and Rebates](#).³⁸

Clean Fuels

In March 2024, the New Mexico legislature passed, and the governor signed, the [CTFP](#)³⁹ law that requires the carbon footprint of transportation fuel to drop by 20% by 2030 and 30% by 2040. The CTFP relies on technology-neutral market forces to incentivize fuel producers and importers to reduce their carbon footprint over time. This program also requires participating utilities to invest the net credits earned into transportation decarbonization and ensures at least 50% of such revenues support low-income and underserved communities. Learn more at [Clean Transportation Fuel Program](#).⁴⁰



³⁷ <https://clean.energy.nm.gov/>

³⁸ <https://www.env.nm.gov/climateaction/the-new-mexico-clean-car-tax-credit/>

³⁹ Section 74-1-18 NMSA 1978 Relating to the Environment: Authorizing the Environmental Improvement Board to Adopt Rules to Establish and Assess Fees for a Clean Transportation Fuel Standard. <https://nmonesource.com/nmos/nmsa/en/item/4415/index.do#74-1-18>

⁴⁰ <https://www.env.nm.gov/climate-change-bureau/clean-fuel-standard/>

EV Charging Infrastructure

In 2024, NMDOT received \$38.3 million in NEVI Formula funding to distribute through 2026. The funds are being used to expand the national EV charging infrastructure network in New Mexico. In the first round of funding distributions, NMDOT received 17 applications and awarded \$11.9 million to six entities, for a total of 20 locations and 84 new EV chargers across New Mexico, with a focus on interstate highways. As of March 2025, New Mexico has 790 charging ports spread across the state.⁴¹

The NEVI Plan, approved by the federal Joint Office of Energy and Transportation on September 14, 2022, envisions a phased approach to create a reliable, accessible, convenient, and affordable EV charging network that will support transportation choices, energy diversification, economic development, and environmental sustainability for all New Mexicans. Phase One of the NEVI Plan will build out Interstates 25, 40, and 10.

Other opportunities to increase EV charging infrastructure development in New Mexico include the CTFP, where credit revenues will be used to support EV infrastructure projects; utilities transportation electrification plans developed under the 2023 New Mexico State Rule [17.9.574 NMAC Applications to Expand Transportation Electrification](#);⁴² and the state's adoption of 2021 building codes that have requirements for EV chargers and charging readiness.

NMDOT offers all EV drivers—both New Mexico residents and New Mexico visitors—an interactive directory showing the locations of all public EV charging stations throughout the state. This Electric Vehicle Charging Station Directory makes it easier for New Mexicans to purchase EVs by reducing range anxiety while providing a go-to planning tool for motorists visiting one of the largest states in the country. Learn more at [New Mexico Electric Vehicles](#).⁴³

To increase accessibility of EV chargers, New Mexico is installing EV chargers at public parks. Bluewater Lake State Park and Caballo Lake State Park both host EV charging stations with two plugs. Charging at these stations is free for park visitors.



**EV Charging Station at Caballo Lake State Park
(Credit: Claudia Borchert, NMED)**



**Caballo Lake
(Credit: EMNRD)**

⁴¹ <https://atlaspolicy.com/evaluatnm/>

⁴² <https://www.srca.nm.gov/parts/title17/17.009.0574.html>

⁴³ <https://www.dot.nm.gov/electrifying-new-mexico/>

AGRICULTURE

Greenhouse gas emissions from agriculture were 10.25 MMT CO₂e or 12% of total state emissions. New Mexico's greenhouse gas emissions from agriculture come from nitrogen fertilizers, enteric fermentation (ruminant digestion), and manure management. As emissions in other sectors decline, agriculture's share is projected to rise to 16% of New Mexico's total greenhouse gas emissions in 2025. Strategies to address greenhouse gas emissions from agriculture can vary depending on local conditions, the agricultural operations, and long-term management practices in place.

The New Mexico Department of Agriculture (NMDA) Healthy Soils Program is key in New Mexico's climate efforts, funding projects that promote soil health and carbon sequestration. From 2023 to 2025, NMDA allocated over \$3.2 million to 149 projects focused on nature-based climate solutions. The program also partnered with New Mexico State University (NMSU) to research cover crops, organic amendments, and grazing management in arid environments. In 2024, NMDA hosted the first Soil Health and Carbon Management Conference, with over 100 participants sharing strategies for improving soil health and carbon storage in the state's agriculture.

NMDA has also worked closely with several key partners to enhance climate actions at the state and national levels. Participation in the National Center on Carbon Management and Soil Health at NMSU, the Small Business Training and Resources (STAR) program, and the BCarbon credit registry has fostered collaboration that facilitates the adoption of climate-smart practices, supports research on carbon sequestration, and helps promote the development of carbon markets. These collaborations help advance New Mexico's climate goals and strengthen the state's agricultural systems against changing environmental conditions.



Kristin Swoszowski-Tran applied for NMDA's Healthy Soils Program in 2022 while the Hermit's Peak-Calf Canyon Fire burned near her 32-acre farm in Ledoux, Mora County. Though her farm was spared, she used the grant to improve soil health, prevent erosion, and restore riparian areas. With the funding, Kristin produced and applied biochar from downed timber, made compost using a Johnson-Su bioreactor, and seeded native cover crops with a no-till drill. She also planted pollinator habitat and installed portable fencing for rotational grazing of her livestock (including yaks). Kristin sells produce, baked goods, and soaps from her farm, Ledoux Grange, LLC, in Mora County.

ELECTRICITY

Electricity in New Mexico is rapidly transitioning away from coal and toward clean energy, largely because of the 2019 ETA, which established New Mexico as a national leader in clean energy. For investor-owned utilities (IOUs), the ETA set a renewable energy standard of 50% zero-carbon resources by 2030, 80% by 2040, and 100% by 2045. For rural electric cooperatives, the ETA set a renewable energy standard of 50% zero-carbon resources by 2030 and 100% by 2050 (composed of at least 80% renewable energy).

Based on the 2024 Greenhouse Gas Emissions Inventory and Forecast, providing emission estimates for 2021, greenhouse gas emissions from the electricity sector were 10.31 MMT CO₂e or 12% of total statewide emissions, a decline of 37% from the 2005 baseline. Electricity generation, previously the third-largest source of emissions in the state, is now projected to become the fourth largest emissions source in 2025. However, significant decarbonization efforts remain, especially as the electricity sector is critical in reducing emissions from other sectors, such as industry, transportation,

and the built environment, and is in demand for the expanding need for data centers. The effectiveness of EVs and electric heating and cooling in cutting emissions depends on continued progress toward cleaner electricity generation.

New Mexico's role as a net exporter of electricity is thriving, even as in-state demand for electricity has increased (up 23% from 2005 to 2021). Most of the increased electrical demand since 2005 was in the industrial sector, which includes oil and gas and data centers. The Southwest Power Pool, which provides electricity to the Permian Basin, saw industrial load grow 43% between 2022 and 2024, increasing from 5,357 gigawatt-hours (GWh) to 7,656 GWh.⁴⁴

Since 2022, New Mexico's Renewable Energy Transmission Authority has partnered with seven different projects, either operating or in development, that will build over 1,500 miles of new high-voltage transmission in New Mexico, increasing the state's grid capacity more than 10,000 MW.



⁴⁴ U.S. Energy Information Administration, Annual Electric Power Industry Report, Form EA-861 detailed data files

ELECTRICITY

Energy Grid Diversification and Modernization

New Mexico's energy generation mix has rapidly diversified. In 2015, coal and natural gas comprised 88% of the energy generated in state. Based on the 2024 Greenhouse Gas Emissions Inventory and Forecast, wind and solar energy comprise 59% of the energy generated in state, natural gas contributes 41%, and coal contributions have been reduced to 0%. These statistics reflect in-state electricity generation and do not include electricity imported from other states or tribal energy sources.

Category	Units	2005	2021
In-State Generation*	GWh	19,520	27,288
Retail Sales	GWh	20,639	25,394
New Mexico-Associated Emissions	MMT CO ₂ e	16.3	10.3
Notes and data sources: U.S. Energy Information Administration (EIA) in-state generation, retail sales data, ownership of out-of-state units from EIA Forms 906/920, 860, 92316. Generation from in-state units from EPA Emissions and Generation Resource Integrated Database (eGRID) data. *Includes all units in the state, excluding Four Corners as that plant is on tribal lands.			

Between 2022 and 2024, New Mexico made significant strides in modernizing our energy grid and advancing renewable energy initiatives as a result of the Energy Grid Modernization Roadmap Act of 2020. The grid modernization roadmap was developed to help the state transition to a low carbon electricity generation mix, support customers, and modernize the electric grid. The state has three main investor-owned utilities (IOUs) that provide electricity to customers within the

state: the Public Service Company of New Mexico, the Southwestern Public Service Company, and El Paso Electric. These IOUs, which are under the jurisdiction of the New Mexico Public Regulation Commission (PRC), have developed initial grid modernization dockets for technologies approved by PRC. The most meaningful development was for regulatory cost recovery for a smart meter (i.e., advanced metering infrastructure) roll-out, which would provide access to more detailed energy data, which is key for grid modernization.

Between 2022 and 2024, the Energy Conservation and Management (ECAM) division of EMNRD established a grant program, allocating \$1,407,698 to fund pilot projects focused on modern energy grid operations. These projects included studies on photovoltaic systems with battery storage and initiatives to strengthen grid resilience for small utilities and co-ops. Additionally, ECAM is advancing grid resilience through the continued phases of the Preventing Outages and Enhancing Resilience (POWER) program, which focuses on infrastructure upgrades, renewable energy adoption, and fire prevention strategies. Further supporting innovation, the state invested \$2,168,700 in the long-duration energy storage research and development program to explore new storage technologies critical for grid stability. These efforts position New Mexico for a more sustainable and secure energy future, meeting growing electricity demand while promoting grid modernization.

Furthermore, House Bill 24-91, the Geothermal Resources Project Fund, signed March 5, 2024, allocates \$2.5 million toward future geothermal energy projects, harnessing the earth's subsurface heat for electricity generation, hot water provision, and heating and cooling solutions. The bill establishes a geothermal projects fund and revolving loan fund to facilitate grants and loans for project financing and cost-benefit studies.

Energy Tax Credits

ECAM drives New Mexico's transition toward a more diversified and sustainable energy future through numerous consumer-friendly programs. Through implementing multiple tax credits, ECAM has encouraged investments in clean energy and advanced technologies, and by supporting projects like solar installations, energy storage systems, and microgrid development, ECAM has diversified the state's energy mix, increased grid resilience, and promoted the adoption of renewable energy. Some of ECAM's tax credits are described below.

Solar Market Development Tax Credit

The Solar Market Development Income Tax Credit provides a tax credit of 10% of the cost of a solar system, up to \$6,000. When the legislature enacted this program in 2020, it placed an \$8 million cap on the amount of credits that could be issued each year. It has raised that cap three times because of consumer demand. The current cap is \$30 million a year. In January 2024, the legislature also provided a supplemental tax credit of \$20 million for calendar years 2020 through 2023, \$4.19 million of which has been claimed so far by New Mexicans who were denied the credit because the original cap had been reached. From 2022 to 2024, there were 10,768 projects corresponding to 87.4 MW of installed solar and \$34.13 million in credits issued to New Mexico taxpayers.

Renewable Energy Production Tax Credit

The Renewable Energy Production Tax Credit provides a tax incentive for utility-scale renewable energy generation. Between 2022 and 2023, nearly \$18 million was claimed from the tax credit. New Mexico's tax credit status of installed renewable energy production operating in 2024 included 3,263 MW of total capacity and 7,733,846 MWh of annual production.

Geothermal Ground-Coupled Heat Pump Tax Credit

The 2024 legislature passed a geothermal ground-coupled heat pump tax credit. Under the program, a New Mexico taxpayer who purchases and installs a geothermal ground-coupled heat pump system in New Mexico is eligible for a tax credit. The credit applies to the purchase of a geothermal ground coupled heat pump system that uses energy from the ground to distribute heating, cooling, or domestic hot water. ECAM is currently rulemaking on this credit, with an anticipated publication date during the second quarter of 2025. The credit has a cap of \$4 million per year.

ECAM also administers the Clean Car Tax Credit and the SBTC, which are covered in the transportation and building sectors in this report. Learn more about ECAM's Tax Credit Programs [here](https://clean.energy.nm.gov/).⁴⁵

⁴⁵<https://clean.energy.nm.gov/>



BUILT ENVIRONMENT

The built environment encompasses all human-made structures, including buildings, utility infrastructure, and transportation systems. Managing the built environment is a critical focal point for New Mexico's climate strategy. Its impact stems from two primary sources: emissions associated with construction materials and processes and the energy consumed during ongoing building and infrastructure operation.

Emissions from residential and commercial buildings due to the combustion of natural gas and propane for space heating, hot water, and cooking totaled 5% of 2021 emissions (4.15 MMT CO₂e), and are projected to contribute about 6% of total emissions in 2025. Implementing energy-efficient building codes, prioritizing sustainable infrastructure investments, and embracing low-carbon construction materials are essential for achieving New Mexico's climate goals.

Buildings

In January 2024, New Mexico formally adopted the 2021 International Energy Conservation Code for commercial and residential buildings. Over the next few decades, through 2040, these updated building codes are expected to prevent 9.78 MMT of carbon dioxide emissions while ensuring that New Mexicans realize the economic benefits of more efficient building standards.⁴⁶ State and federal policies that incentivize electrification of energy end uses in buildings (e.g., space heating, hot water, cooking), along with more efficient appliances and lighting, will reduce building emissions and improve public health.

The [SBTC](https://www.emnrd.nm.gov/ecmd/tax-incentives/sustainable-building-tax-credit-sbtc/)⁴⁷ reflects the state's intention to incentivize cutting-edge sustainable building practices and use energy-efficient products. There are two types

⁴⁶ https://www.energycodes.gov/sites/default/files/2025-01/Impacts_of_Model_Energy_Codes_2025.pdf

⁴⁶ <https://www.emnrd.nm.gov/ecmd/tax-incentives/sustainable-building-tax-credit-sbtc/>



BUILT ENVIRONMENT

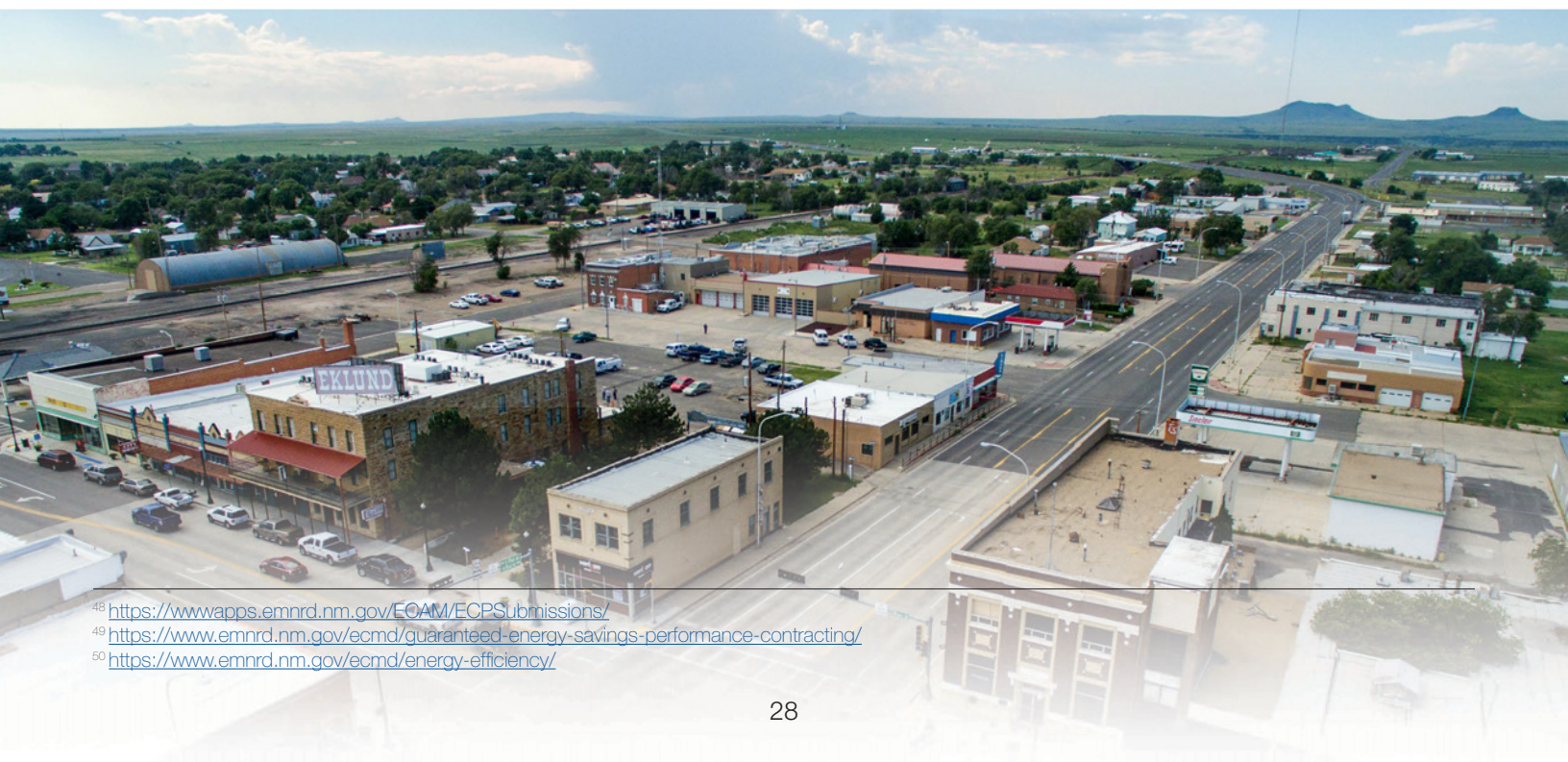
of tax credits available under the program: one for installing certain energy-efficient products in existing residences and another for commercial renovation and new construction projects. From 2022 to 2024, 760 applications were approved, covering 1,438,369 of total qualified square footage. This has amounted to using \$5.4 million of the \$21.45 million available, with an average tax credit of \$7,108. These credits are available to New Mexico taxpayers filing either a personal income or corporate tax return. The credits for installing energy-conserving products went into effect on January 1, 2021, and applications for those credits can be submitted via an [online portal](#).⁴⁸ Energy-conserving products include certain air- and ground-source heat pumps, heat pump water heaters, windows, doors, insulation upgrades, and EV charging equipment. Between 2022 and 2024, 259 applications for the energy-conserving product tax credit were approved, totaling \$435,951. On average, each approved applicant received \$1,680.

The ECAM [Guaranteed Energy Savings Performance Contracting \(GESPC\)](#)⁴⁹ program for state-owned buildings provides education on GESPCs, technical oversight of project development, review of and

certification of investment-grade energy audits, construction oversight of implementation, and review of performance of implemented measures. Education is provided to those government entities that are interested in using GESPCs to implement [energy-efficient technology, renewable energy generation systems, and/or increase their facility resilience](#).⁵⁰ Since implementation in 2013, 35 projects have been developed, resulting in more than \$11.5 million in annual savings to the state, reducing energy consumption by 31.9% per project.

Infrastructure Investments

The design and construction of New Mexico's infrastructure impacts numerous sources of greenhouse gas emissions. Design and construction decisions, like the type of asphalt used, influence the energy consumed and emissions generated during the building process. Additionally, urban and regional planning choices—like the placement of bus stations, bike lanes, and key facilities such as hospitals and schools—determine how far New Mexicans need to travel by car, which in turn affects fuel or energy consumption.



⁴⁸ <https://www.wapps.emnrd.nm.gov/ECAM/ECPSubmissions/>

⁴⁹ <https://www.emnrd.nm.gov/ecmd/guaranteed-energy-savings-performance-contracting/>

⁵⁰ <https://www.emnrd.nm.gov/ecmd/energy-efficiency/>

BUILT ENVIRONMENT

The NMDOT Planning Division completed a Carbon Reduction Strategy (CRS) in 2023. The CRS supports NMDOT's efforts to reduce transportation emissions and identify projects and strategies to reduce those emissions. The CRS was developed in coordination with the state's metropolitan planning organizations and regional transportation planning organizations. Learn more about the CRS at [Research and Climate Bureau | NMDOT](https://www.dot.nm.gov/planning-research-multimodal-and-safety/planning-division/research-and-climate-bureau/nmdot).⁵¹

In 2023, the NMDOT Planning Division awarded \$12.57 million in federal Carbon Reduction Program funding for several projects, including Lobo Canyon Sidewalks in Grants, the University Avenue multimodal project in Las Cruces, and the NMDOT Fleet Transition Plan.

In 2023, in alignment with the Infrastructure Investment and Jobs Act (IIJA) and the BIL, NMDOT funded and developed a "Complete Steet" approach to integrate multimodal transportation. Specifically, NMDOT dedicated 2.5% of state planning and research funds (or about \$250,000 annually) to develop Complete Streets standards, policies, and an implementation plan. As part of the large multimodal transportation

initiative, the Complete Street objective is to enable safe use and access to all modes of transportation for all people, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. Learn more about the [Complete Streets approach](#).⁵²

In 2024, the NMDOT Planning Division used Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) funding to develop the Resilience Improvement Plan (RIP). The goal of the NMDOT RIP is to use best available data and projections to strategically define immediate and long-term planning actions and project investments to maximize the resilience of New Mexico's transportation system to extreme weather and natural disasters. The RIP can be accessed at [Research and Climate Bureau | NMDOT](https://www.dot.nm.gov/planning-research-multimodal-and-safety/planning-division/research-and-climate-bureau/nmdot).⁵³

The NMDOT Planning Division also administers research funding through its Research and Climate Bureau (RCB). RCB works with NMDOT engineers to support efforts using lower-carbon materials such as concrete and asphalt. In 2024, NMDOT was awarded a \$29.8 million federal grant to use LCTM.



⁵¹ <https://www.dot.nm.gov/planning-research-multimodal-and-safety/planning-division/research-and-climate-bureau/>

⁵² [https://www.nmlegis.gov/X\(1\)S\(ua5nwjafkOhvjask1nzors\)/handouts/TIRS%20092923%20Item%202%20Multimodal%20Transportation_AO_RK.pdf.pdf](https://www.nmlegis.gov/X(1)S(ua5nwjafkOhvjask1nzors)/handouts/TIRS%20092923%20Item%202%20Multimodal%20Transportation_AO_RK.pdf.pdf)

⁵³ <https://www.dot.nm.gov/planning-research-multimodal-and-safety/planning-division/research-and-climate-bureau/>



ECONOMIC TRANSITION AND WORKFORCE DEVELOPMENT

The oil and gas industry has significantly contributed to New Mexico's economy and budget, and is expected to continue to support our economy in the future. However, to ensure long-term prosperity, it is essential to balance the success of this sector with expansion in other areas, especially as New Mexico transitions to a clean energy economy. Expanding our industrial base will not only help mitigate climate change but will also make the state more resilient during economic downturns or times of low oil and gas revenues. Fostering diverse economic growth in the energy sector also presents an opportunity to ensure that the clean energy transition is equitable and benefits all New Mexicans.

To facilitate the transition to a diversified economy, New Mexico is developing programs to advance our workforce. Through the governor's Executive Order 2024-152, Building New Mexico's Workforce to Foster the Clean Energy Transition, Infrastructure Investments, and Resilient Communities, the Department of Workforce Solutions (DWS) is coordinating with other state agencies on infrastructure and climate-ready workforce training activities to encourage workforce planning that integrates programmatic and sector needs and aligns with the state's existing workforce development and education systems.

Efforts to diversify New Mexico's economy have included organizing the first annual Building an Advanced Energy Ecosystem in New Mexico conference. The conference brings together policymakers, researchers, industry, entrepreneurs, investors, and others to discuss cutting-edge technologies to help decarbonize New Mexico and help the state to become a global leader in energy. With a

successful debut year and an equally successful 2024 conference year, the event will continue in 2025. Economic development has attracted several clean energy and climate-focused businesses, with two notable ones: Arcosa Wind Towers (Arcosa) and Star Scientific Ltd. In its development stages, [Arcosa](#)⁵⁴ anticipates hiring roughly 250 employees for its facility and expects to have an annual payroll of \$12.5 million. Arcosa projects are estimated to have an economic impact of \$314 million over the next 10 years.



In 2023, Star Scientific, an Australian-based green hydrogen research and development company, announced their plans to open their first North American facility in New Mexico. This facility will create up to 200 jobs for New Mexico residents and advance state goals for clean energy investments. Green hydrogen technology can produce high temperature heat with no greenhouse gases, replacing fossil fuels for needs such as power production and industrial processes.

**Star Scientific Ltd. Global Group Chair
Andrew Horvath signs letter of intent alongside
Governor Lujan Grisham**

⁵⁴ https://edd.newmexico.gov/stories/wind-tower-manufacturer-picks-new-mexico-for-expansion/?utm_source=chatgpt.com

ECONOMIC TRANSITION AND WORKFORCE DEVELOPMENT

Star Scientific Ltd., an Australia-based green hydrogen research and development company, has chosen New Mexico as the location for its first North American operation. The company will invest \$100 million into New Mexico, constructing 7 to 10 buildings for administration, design, testing, manufacturing, and laboratory research. The company plans to hire up to 200 employees in New Mexico and is currently in negotiations with the state EDD for an incentive package that would include assistance from the Job-Creation Fund under the Local Economic Development Act as well as assistance for job training.⁵⁵

In addition, electric utilities like Kit Carson Electric Cooperative (KCEC) have also taken significant leaps toward New Mexico's energy transition. [KCEC](#)⁵⁶ has received \$231 million in investment funding for hydrogen power generation, aiming to achieve the capacity to generate power for 25,000 homes. During its construction phase, KCEC is expecting to generate roughly \$298 million in economic benefits and create 350 jobs for the local community.

ECONOMIC DIVERSIFICATION AND ENERGY TRANSITION PROGRAMMING

In 2023, New Mexico's EDD received funding from the Just Transition Fund to host listening sessions with displaced coal workers from the San Juan Generating Station and coal mine, assessing progress since the 2019 ETA and gathering feedback for the state plan.

EDD also established its Office of Strategy, Science, and Technology (OSST) in 2023 to connect New Mexico's innovation infrastructure to the market, focusing on growing tech companies, commercializing technologies, and advancing clean energy and climate-related initiatives. OSST collaborates on federal funding initiatives, including the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, the

Inflation Reduction Act. OSST also leads programs like the Science and Technology Business Startup Grant, the New Mexico Small Business Innovation Research (SBIR) Matching Grant, and the [New Mexico Advanced Energy Award Pilot Program](#),⁵⁷ which has awarded \$3.4 million to seven companies in solar, hydrogen, water treatment, energy storage, and methane emissions.

In 2024, EDD contracted the Rocky Mountain Institute (RMI) to research New Mexico's clean energy advantages. RMI's findings highlight regional strengths, leading to requests for proposals to explore New Mexico's clean energy capabilities further. The results will guide investments in clean energy and tech to attract jobs and increase revenues.

Within [the State Land Office](#),⁵⁸ which leases state lands to energy producers, there were 29 active wind leases and 13 active solar leases in fiscal year 2024. This corresponds to 2,505 MW of renewable development under lease on state lands, a significant increase from 2019's approximate 400 MW. In 2024, Pattern Energy Group also began developing the 3,515 MW SunZia wind farm facility, which will be the largest wind project in the Western Hemisphere.



⁵⁵ <https://www.governor.state.nm.us/2023/10/25/australian-based-star-scientific-chooses-new-mexico-for-north-american-expansion-albuquerque-to-be-center-for-clean-hydrogen-research-and-manufacturing-create-200-jobs/>

⁵⁶ <https://www.utilitydive.com/press-release/20250114-kit-carson-electric-cooperative-awarded-231-million-for-construction-of-10-1/>

⁵⁷ <https://edd.newmexico.gov/wp-content/uploads/2024/05/Advanced-Energy-GrantsUPDATED.pdf>

⁵⁸ <https://www.nmstatelands.org/wp-content/uploads/2024/12/2024-Annual-Report-FINAL-V3.pdf>

ECONOMIC TRANSITION AND WORKFORCE DEVELOPMENT

NEW MEXICO CLIMATE INVESTMENT CENTER (NMCIC)

New Mexico acknowledges the urgent need for increased funding in equity-focused investments due to the disproportionate impacts of climate change on households and businesses without the resources to adapt to a changing climate. NMCIC is a 501(c)(3) nonprofit financial institution established through the Coalition of Sustainable Communities New Mexico CSCNM to tackle climate change by using a small amount of public funding to attract significant private investments for projects that address equity, reduce greenhouse gas emissions, and ease energy burdens.

Operating on the “Green Bank” model, NMCIC focuses on projects that benefit low- and moderate-income communities, small business, and nonprofits. The goal is to provide financial support in the form of low-interest loans and incentives that help reduce energy expenses and foster climate resilience. These projects include energy efficiency improvements, solar energy adoption (both on-site and community solar), electrification, renewable energy development (e.g., community solar arrays, geothermal, and battery storage), and reduction in greenhouse gas emissions, particularly in buildings and transportation. Learn more at [NMCIC](https://nmclimateinvestmentcenter.org/).⁵⁹

SUSTAINABLE ECONOMY TASK FORCE (SET Force)

New Mexico’s SET Force is a key initiative designed to promote economic development while addressing environmental concerns and preparing for climate change. It was created in response to the need for a coordinated effort to transition the state toward a more sustainable economy, focusing on renewable energy, climate adaptation, and resilience. The task force has actively engaged with the EDD’s statewide strategic plan.

Since its establishment in 2021, the SET Force has focused on advancing New Mexico’s renewable energy sector by harnessing its solar and wind resources, supporting large-scale projects, creating jobs, and reducing carbon emissions, with a goal of achieving net zero emissions by 2050. The task force has also emphasized social equity by engaging marginalized communities, especially tribal and low-income areas, to ensure that policies and programs benefit all residents. Moving forward, the SET Force plans to build on its successes, with an emphasis on collaboration, sustainability, and fostering economic growth that benefits every New Mexican.



⁵⁹ <https://nmclimateinvestmentcenter.org/>

ECONOMIC TRANSITION AND WORKFORCE DEVELOPMENT

CLIMATE WORKFORCE DEVELOPMENT

Coordinated infrastructure and climate-ready workforce strategies will create good-paying, high-quality jobs that prioritize worker safety, promote equity, and expand opportunities for underserved communities impacted by climate change. The goal is to train 2,000 workers in infrastructure and climate-ready professions by December 31, 2026. Starting in 2025, DWS will produce an annual report on workforce data, investments, and program participation by March 1st each year.

ENERGY TRANSITION WORKFORCE DEVELOPMENT

The 2019 ETA created the Displaced Worker Assistance Fund to support individuals and communities affected by the closure of facilities like the San Juan Generating Station. The fund assists workers and contractors impacted by the closure in counties within a 100-mile radius, including San Juan, McKinley, Rio Arriba, Sandoval, and tribal lands like the Navajo Nation and Jicarilla Apache Nation.

The New Mexico DWS has developed a two-phase funding plan. Initially, over 350 individuals were estimated

to be affected, but the number rose to over 500. Phase 1 provided direct payments to over 550 individuals. Phase 2, launched in November 2023, expanded support to include training, apprenticeships, and further payments. Over 230 Phase 2 applications have been processed, and 33 participants have enrolled in post-secondary education with monthly stipends.

In 2024, DWS received a \$1.5 million grant for the Energy Transition Workforce Equity project to expand New Mexico's clean energy workforce. This project is creating partnerships among employers, educational institutions, community-based organizations, state agencies, and policymakers to expand training programs, prioritize diversity, and ensure federal funding supports clean energy jobs. Additionally, DWS secured a \$5.95 million State Apprenticeship Expansion Formula, Round 2 (SAEF2) grant to establish the grant to establish the Building, Energizing, and Connecting Apprenticeships (BECA) program, which expands registered apprenticeships across New Mexico and creates pathways to skilled jobs in clean energy and infrastructure.





ADAPTATION AND RESILIENCE

While New Mexico is committed to ambitious greenhouse gas emissions reductions to mitigate the impacts of climate change, we must also confront the reality of a shifting climate already affecting the state. Warmer temperatures, increased frequency of heatwaves, prolonged droughts, reduced snowpack, and earlier snowmelt are tangible signs of this change.⁶⁰ This section outlines New Mexico's comprehensive adaptation and resilience strategy designed to safeguard our communities and ecosystems from the escalating impacts of climate change.

Resilience is the ability to anticipate, prepare for, respond to, and recover from disruptions with minimum damage to social well-being, the economy, and the environment.⁶¹ In New Mexico, this translates to multifaceted efforts: fostering economic resilience through a diverse and robust economy, ensuring social resilience to protect vulnerable communities, building physical resilience by integrating climate risk into infrastructure and natural resource management, and

cultivating resilient watersheds to preserve precious water resources. Recognizing that climate change exacerbates existing inequities, we are committed to embedding social equity throughout all resilience efforts, prioritizing the needs of overly burdened communities, including people of color, tribal communities, and rural populations.

The approach is two-pronged, balancing mitigation with adaptation. The state is investing in strategies to address climate-related emergencies like wildfires and flash flooding while also proactively adapting infrastructure, public health systems, and natural resource management. By cultivating a truly resilient New Mexico, this initiative aims to protect our rich cultural heritage and ensure that all New Mexicans can thrive in the face of a changing climate. This section details the state's efforts to identify climate hazards, assess community vulnerabilities, and collaborate with local and tribal governments to implement effective adaptation and resilience measures.



⁶⁰ New Mexico CARP. (2024). New Mexico Energy, Minerals, and Natural Resource Department, Climate Policy Bureau. [Contributing Authors: Finkelstein, R., Lohmann, M., Gomez, R., Petersen, A., Ferris, M., Perce, R., Bell, A., Harrison, T., Even, T., Williams, K., Sussman, A., Reece, S., Meko, M., DuBois, D., Ferguson, D., Ngochi, T., Phleger, A., Glabo, K.].

⁶¹ Ibid.

ADAPTATION AND RESILIENCE

CLIMATE ADAPTATION AND RESILIENCE PLAN (CARP)

New Mexico is already experiencing the disruptive effects of a changing climate. The state's exposure and risk from extreme heat, wildfire, drought, storms, heavy precipitation, and vector-borne illnesses have increased dramatically. Dynamic events threaten the economic, social, and cultural fabric of our communities and the natural environments and ecosystems vital to our survival. As we deal with these changes, the CARP provides a path toward a more resilient future for New Mexico.

CARP was developed by EMNRD's Climate Policy Bureau through a series of workshops with a wide range of state agencies to build cross-departmental collaboration, enhance the understanding of climate impacts across the state, and create a shared framework to guide resilience efforts. EMNRD also hosted a series of community conversations across the state to share and collect feedback on the plan. These conversations helped identify additional opportunities to incorporate resilience into the work of state and local government. The plan is a living document and represents a next step in an all-of-state-government approach to strengthening resilience across New Mexico. The plan outlines resilience strategies and first steps for implementation in five themes: community and culture, ecosystems and natural resources, health and wellness, infrastructure, and local economies. It also uses information from existing reports and assessments to outline climate-related trends that are expected to impact New Mexico. These climate projections can be used by state agencies, localities, and tribes in their own resilience and adaptation planning. Learn more information at [New Mexico Climate Change Action](https://www.climateaction.nm.gov/carp/).⁶²

During the 2024 community workshops, EMNRD received over 700 comments from workshop attendees. Community input touched on a broad range of topics, including community and culture, human health and wellness, infrastructure, ecosystems and natural resources, water systems, and local economies.



Community members learning about CARP in Taos



Community members discussing the CARP in Roswell

⁶² <https://www.climateaction.nm.gov/carp/>

ADAPTATION AND RESILIENCE

NATURAL AND WORKING LANDS

As New Mexico grows warmer and drier, building resilience in the state's natural and working lands is more critical than ever. These landscapes, forests, grasslands, wetlands, and agricultural land not only provide essential ecosystem services but also play a key role in carbon sequestration and climate adaptation. In response to our growing challenges, state agencies alongside local, tribal, and federal partners have taken steps to enhance land stewardship, improve soil and water conservation, and mitigate climate-driven risks such as wildfires and desertification. Strengthening the resilience of natural and working lands will be essential to supporting biodiversity, sustaining rural economies, and ensuring long-term climate resilience for New Mexico.

The Land of Enchantment Legacy Fund, established in 2023, supported NMDA programs like the Healthy Soils Program, soil and water conservation districts (SWCDs), and Noxious Weeds Program. In fiscal year 2025, \$1 million in grants were awarded to 31 conservation projects across 23 SWCDs and watershed districts, helping preserve New Mexico's natural resources vital for climate adaptation.

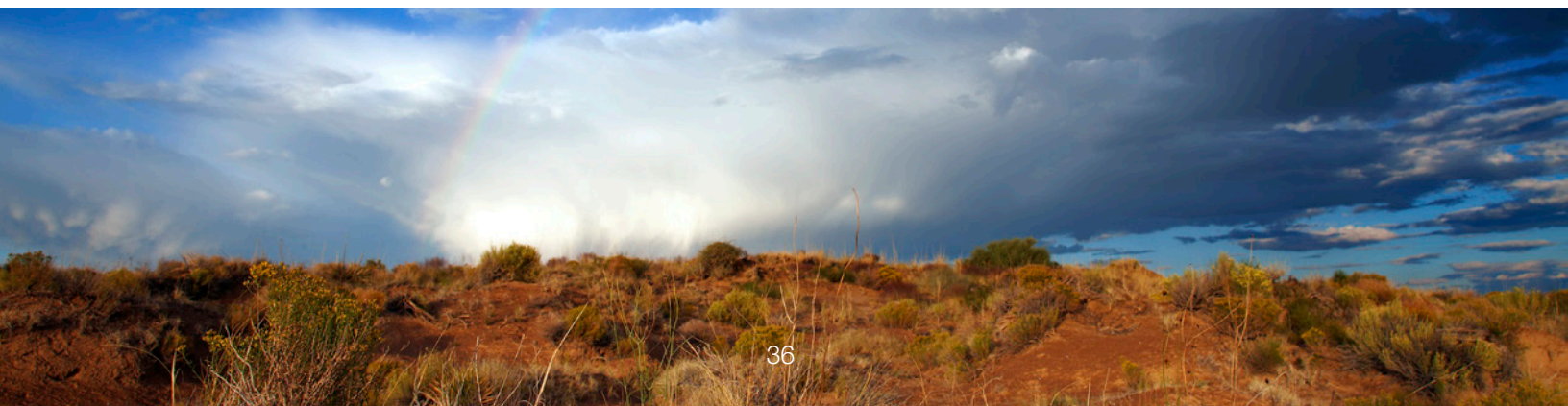
New Mexico is prioritizing forest restoration, carbon monitoring, and land conservation. The New Mexico Forestry Division, in collaboration with the University of New Mexico and the University of Maryland, developed a Carbon Monitoring System (CMS) to track carbon stored in vegetation. CMS data show that the 2022 Hermits Peak-Calf Canyon wildfire released 3.6 MMT of carbon, emphasizing the importance of forests in carbon storage. To prevent carbon loss and protect

ecosystems from such fires, targeted restoration activities like thinning and prescribed burning are critical. In 2024, the Forestry Division received a \$5 million federal grant for forest restoration and nearly \$40 million in federal Community Wildfire Defense Grant funding.

In addition to forest restoration, the Forestry Division is focused on conserving New Mexico's natural and working lands. Through initiatives such as the Forest Legacy Program and the Land of Enchantment Legacy Fund, the Forestry Division successfully conserved over 7,000 acres of forests, wetlands, and agricultural lands, including a new project to protect 50,000 acres of the Vermejo River watershed in Colfax County.

Together, NMDA and the Forestry Division serve on the state's 30 by 30 advisory committee. This initiative aims to conserve 30% of lands in New Mexico by 2030. As part of the committee's actions, the Forestry Division helped document that 35% of state lands are conserved, with over 39 MMT of carbon sequestered on private lands that include forests, woodlands, and grasslands. This achievement highlights the significant role of conserved lands in the state's climate resilience and greenhouse gas mitigation strategy.

The efforts of NMDA and the Forestry Division demonstrate a holistic approach to addressing climate change through conservation, restoration, and research. These programs and partnerships are building a more resilient New Mexico, ensuring the state's natural and working lands continue to provide essential ecosystem services.



ADAPTATION AND RESILIENCE

WATER AND NATURAL RESOURCE RESILIENCE

New Mexico's arid climate makes securing scarce water resources a critical priority. Climate change further exacerbates these challenges, with shifting precipitation patterns, reduced snowmelt, increased evaporation, and prolonged droughts threatening the state's water supplies and infrastructure. While climate-driven hazards put pressure on New Mexico's natural ecosystems, those ecosystems also offer valuable solutions. Enhancing the land's ability to absorb and retain water, can help mitigate flood risk and improve long-term water management, supporting the state's resilience in the face of a changing climate.

In 2022, the New Mexico Water Policy and Infrastructure Task Force and Tribal Water Working Group addressed New Mexico's water challenges while fostering economic opportunities and resilience for future generations. New Mexico will require sustained investments and contributions to expand effective water programs for the state, nations, tribes, and pueblos. Settlements have been finalized in four stream

systems, involving six tribes and numerous non-tribal communities. Progress continues on implementing existing agreements and negotiating additional settlements. These agreements will secure tribal and non-tribal communities and attract significant federal funding for decades.

Since 2022, New Mexico has flowed funding through the Water Trust Board to improve opportunities for communities to leverage capital outlay funding to complete water projects for (1) storage, conveyance, or delivery of water to end users; (2) implementation of federal Endangered Species Act of 1973 collaborative programs; (3) restoration and management of watersheds; (4) flood prevention; (5) water conservation or recycling, treatment, or reuse of water, as provided by law; and (6) implementation of the Arizona Water Settlement Act in coordination with the Interstate Stream Commission. These programs and projects will help communities withstand the variabilities of climate change.

The Town of Taos completed construction on two photovoltaic solar systems in 2022, supported by loans from the CWSRF.

Both projects support the town's wastewater treatment infrastructure, including a 1-million-watt solar panel system that offsets most of the wastewater treatment plant energy costs.

These projects will save the town approximately \$4.4 million in energy costs over the next 25 years while also reducing greenhouse gas emissions.



Solar arrays similar to those installed at the Taos Wastewater Treatment Plant

ADAPTATION AND RESILIENCE

The Water Security Planning Act of 2023 enabled the Interstate Stream Commission to launch public outreach for regional water planning, ensuring New Mexico's communities have the resources to adapt to future climate challenges. In 2023, New Mexico established the Land of Enchantment Legacy Fund, the first recurring investment in land and water conservation, agriculture, and outdoor recreation statewide. This fund has highlighted the need for greater investments in local capacity building and the water workforce, including programs like the Water and Wastewater Systems Operation Special Apprenticeship Program and efforts to educate communities on water reliability.

In January 2024, Governor Lujan Grisham released New Mexico's 50-Year Water Action Plan, building on the 2022 New Mexico Water Policy and Infrastructure Task Force and Tribal Water Working Group's work. The plan aims to secure clean water for New Mexicans, support a thriving clean energy economy, sustain agriculture, and protect rivers. It outlines 11 action items across three key areas: water conservation, new water supply development, and water quality and watershed protection. Learn more at [Water Security in New Mexico](https://www.nm.gov/water-security-in-new-mexico/).⁶³

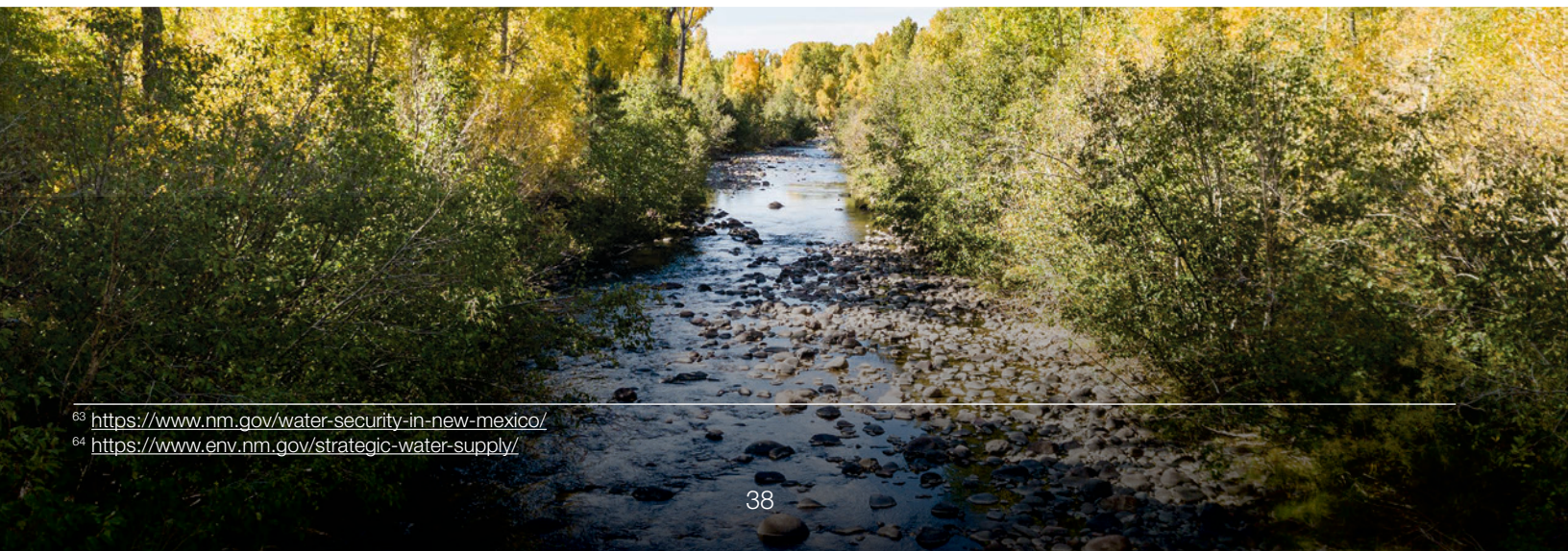
The Office of the State Engineer and the Interstate Stream Commission are working with communities in the Rio Grande Basin to promote water conservation and system efficiency, ensuring a balance of surface and groundwater for future generations.

This includes coordinating with federal agencies to secure funding and technical resources for infrastructure repairs and maintaining river channels after storm events or in response to wildfires. Current efforts focus on providing technical assistance to acequia communities, partnering with local governments, tribes, and organizations to maintain stream flows, and implementing programs like the Strategic Water Reserve to meet interstate compact obligations and support endangered species.

The Strategic Water Supply program, created by the 2025 Strategic Water Supply Act (HB 137), plays a central role in New Mexico's effort to preserve limited freshwater resources while supporting economic development and climate resilience. SWS leverages deep brackish aquifers that are estimated to hold hundreds of trillions of gallons, and advanced treatment technologies, to provide non-potable water for industrial and clean energy uses, reducing pressure on freshwater needed for communities, agriculture, and ecosystems. With an initial fund of \$40 million and authority for long-term contracts and grants, the program promotes projects that treat brackish water for applications such as renewable energy and advanced manufacturing, aligning with state, tribal, and local economic goals. By substituting treated brackish water for high-volume industrial demands, SWS helps secure water for people and nature in a hotter, drier future while creating jobs in water treatment and infrastructure. Learn more [here](https://www.env.nm.gov/strategic-water-supply/).⁶⁴

⁶³ <https://www.nm.gov/water-security-in-new-mexico/>

⁶⁴ <https://www.env.nm.gov/strategic-water-supply/>



NEW MEXICO'S CLIMATE ACTION PLANNING

New Mexico has made great strides in reducing our greenhouse gas emissions; however, current projections show that additional measures are needed to achieve the state's ambitious emissions reduction goals. The path to achieving those goals will be laid out in the New Mexico CAP, which will be completed in December 2025. This comprehensive plan will encompass all major sectors of the economy and will be informed by extensive analyses and community engagement that includes the following:

- Updated greenhouse gas inventory
- Greenhouse gas emissions projections
- Quantified emissions reductions by measure
- Community benefits analysis
- Low-income and disadvantaged communities benefits analysis
- Review of authority to implement
- Detailed plan to leverage and intersect funding opportunities
- Workforce planning analysis
- Extensive stakeholder and community engagement throughout the process
- Extensive tribal government engagement throughout the process

NEW MEXICO'S CLIMATE ACTION PLANNING

In 2025, New Mexico has been collecting community input as an integral part of the Climate Action Planning process of the CAP through in-person and virtual events, surveys, and more. New Mexico will begin by collecting ideas and priorities for reducing emissions in 2025. These ideas, in conjunction with state agency climate plans and priorities, will form an initial draft CAP emissions reduction measure list. Once the draft list is formed, the state will conduct another round of feedback on how these measures would potentially impact communities across the state. This feedback will assist in determining what measures are included in the CAP.

The CAP will be a detailed roadmap of specific actions, time lines, and milestones for addressing New Mexico's climate goals. The plan will also provide performance metrics for evaluating plan success. A status update on CAP implementation is anticipated in 2027, providing valuable insights into the progress made toward achieving the climate goals.

Learn more about New Mexico's [CAP](https://www.climateaction.nm.gov/).⁶⁵

⁶⁵ <https://www.climateaction.nm.gov/>

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