

Oil and Gas Industry Greenhouse Gas Emissions Reduction Study

New Mexico Environment Department
Stakeholder Meeting
April 25, 2007

Executive Order 2006-69

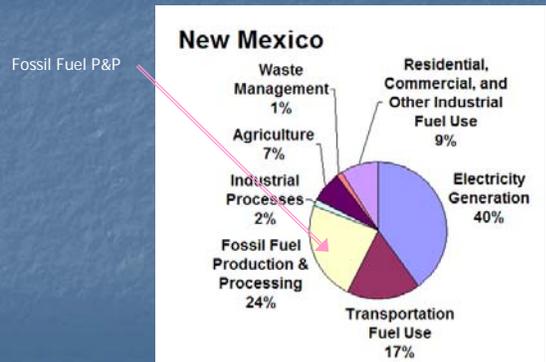
December 28, 2006

- "NMED shall conduct a study of voluntary and mandatory mechanisms for reducing greenhouse gas emissions from oil and gas processes by January 1, 2008 and shall submit such study to the [interagency Climate Action Implementation] Team, the Clean Energy Development Council, and the Governor by July 1, 2007. Proposed mechanisms shall reduce methane emissions in oil and gas operations by 20% by 2020 and carbon dioxide emission from fuel combustion."
- Implements CCAG Recommendations ES-12 & ES-13

Parallel Processes

- NMED rulemaking on greenhouse gas emissions reporting
- OCD report on CO2 capture and sequestration (meeting later today)

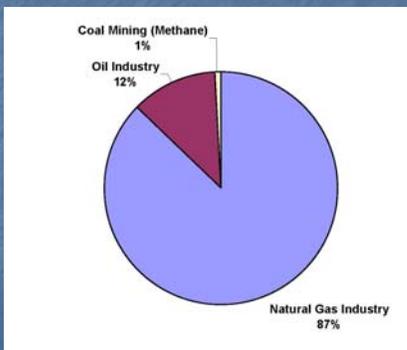
GHG Emissions by Sector



Fossil Fuel P&P GHG Emissions

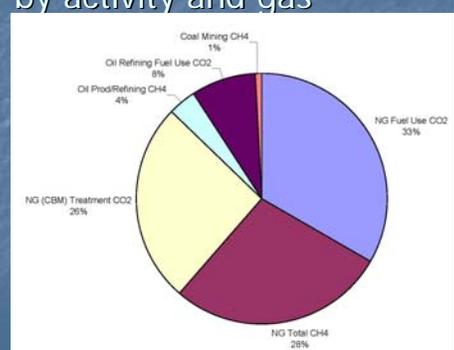
Chart does not include:

- CO2 from oil production fuel use (is included elsewhere in EI)
- CO2 from CO2 Production & Processing (Bravo Dome)



Fossil Fuel P&P GHG Emissions by activity and gas

NG = Natural Gas Industry



Inventory Improvement

- Using existing data
- Identify data needs for ongoing improvement

Proposed Elements of Final Report

- Description of EO goals and process of developing report
- Improvements to base year emissions inventory
- Recommended methods to measure ongoing change in emissions
- Recommended emissions reduction measures
- Recommended implementation mechanisms
- Estimate of emissions reductions expected to result from recommended measures

Potential Implementation Mechanisms

(from CCAG report)

- Information and education
- Technical assistance
- Funding mechanisms and/or incentives
- Voluntary and or negotiated agreements
- Regulatory standards – coupled with cost and investment recovery mechanisms, if appropriate.
- Other?

- Potential Resources
 - Natural Gas Star
 - Four Corners Air Quality Task Force materials
 - Suggestions?
- Next Steps