

Environment Department

MICHELLE LUJAN GRISHAM, GOVERNOR

James C. Kenney, Cabinet Secretary

NEWS RELEASE

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The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

New Mexico Environment Department budget request invests in clean energy economy while expanding public health, environmental safeguards

SANTA FE – The New Mexico Environment Department's (NMED) is requesting a budget increase of \$7.1 million dollars for Fiscal Year 2023 to spur clean energy investments across the state while aggressively mitigating the impacts of climate change.

"Investing in climate solutions is investing in clean energy jobs," said Cabinet Secretary James Kenney. "We are requesting additional resources to drive environmental protections and our economy."

NMED's budget includes funding to implement a clean fuel standard that will decarbonize fuels used in the transportation sector. Implementing a clean fuel standard is estimated to bring \$47 million in economic investments to New Mexico annually while reducing 6.8 million metric tons of carbon dioxide emissions.

"Leveraging its existing industries and infrastructure, New Mexico has an opportunity to demonstrate how companies and industries can develop innovative, lower carbon solutions that create economic opportunity for all," said Rebecca Boudreaux, Ph.D., President & CEO of Oberon Fuels.

The budget also includes funding to establish New Mexico as a world-class, clean hydrogen hub focusing on the production, consumption and export of clean hydrogen. In doing so, New Mexico will seek its share of the \$8 billion proposed for clean hydrogen in the federal infrastructure bill and the estimated \$300 billion in clean hydrogen capital investments expected by 2030.

"Hydrogen is the clean fuel source for a decarbonized future and BayoTech is ready to supply it worldwide. By investing in hydrogen here in New Mexico, we can make this state and the United States the center of the global hydrogen economy. BayoTech has invested in New Mexico by developing our technology here and working with San Juan College to build a local hydrogen workforce," said Andrew Leedom, General Counsel and Head of Policy at BayoTech. "Establishing New Mexico as a hydrogen hub will benefit both the economy and our climate."

"New Mexico is ripe for investment in clean hydrogen technologies and infrastructure," said Dwayne Phillips, Vice President – Hydrogen, for <u>Tallgrass Energy</u>. "We look forward to working with the Governor, Secretary Kenney and other stakeholders to bring clean energy jobs to rural New Mexico."

NMED is also seeking resources to:

 Implement its food safety program related to the manufacturing and sale of cannabis infused food products, known as edibles.

- Invest in climate resilient drinking water and wastewater infrastructure.
- Provide free water testing to local public drinking water systems to keep our drinking water safe for communities.
- Improve oversight of the 450 solid waste facilities throughout the state so they do not negatively impact public health by emitting or releasing pollution.
- Hold polluters accountable like the Department of Defense for its extensive per- and polyfluoroalkyl substances (PFAS) contamination of our water and land.

NMED's budget is a combination of state general fund, federal funding, and revenues collected for various permits and licenses. If approved by the New Mexico Legislature, starting July 1, 2022, the general fund portion of NMED's budget will increase from \$16 million to \$23.1 million – an increase of \$7.1 million. The remainder of NMED's budget is \$87 million (federal funding and revenues collected for permits/licenses).

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