

**MICHELLE LUJAN GRISHAM, GOVERNOR**

James C. Kenney, Cabinet Secretary

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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.

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New Mexico Environmental Improvement Board adopts new regulation implementing greenhouse gas emission standard for coal-fired power plants

State's pathway for low-carbon energy is clear

SANTA FE — Today, the New Mexico Environmental Improvement Board (EIB) adopted regulations that implement a new air quality standard to strictly limit the amount of carbon dioxide (CO₂) emissions from coal-fired power plants in the state. The standard, which was adopted by the Legislature in the Energy Transition Act of 2019, applies to new and existing power plants and limits CO₂ emissions from those facilities to no more than one thousand one hundred pounds per megawatt-hour on and after January 1, 2023.

As specified in the amendments made to the Air Quality Control Act by the Energy Transition Act, Part 101 applies to new and existing electric generating facilities with an original installed capacity exceeding three hundred megawatts and that uses coal as a fuel source. This emission standard is more stringent and protective than the current federal air standards EPA finalized in 2015 for new, reconstructed, and modified coal-fired power plants.

The rule was developed with robust and meaningful public involvement that went beyond the minimum requirement to hold a public hearing, ensuring the state shared information with and solicited input from stakeholders at critical junctures in the process. In addition to steps taken for this rulemaking, the Energy Transition Act provided other tools to support affected communities, including three new funds to provide transition assistance to tribal communities, displaced workers, and the broader affected community (100 miles from the affected plant) to promote economic development and job training.

Economic factors are driving New Mexico's energy transition. Coal-fired electrical generation in New Mexico has declined over the past several years. The Four Corners Generating Station, located on the Navajo Nation, permanently shut down Units 1, 2, and 3 in 2014. Arizona Public Service announced it would be decommissioning the Four Corners Generating Station by the end of 2031. With the support of the Public Service Company of New Mexico (PNM), the San Juan Generating Station retired Units 2 and 3 in 2017 and Units 1 and 4 in 2022. The Escalante Generation Station closed in 2020. The Energy Transition Act provided guard rails for how that transition will evolve in New Mexico.

According to the U.S. Energy Information Administration, 50% of electricity generated in the United States came from coal in 2010. By 2021, coal-powered electricity generation dropped to 25% nationally. Cheaper, cleaner energy sources have made coal power less competitive over time. Rising public awareness of climate change, as well as state laws and regulations such as the Energy Transition Act,

contributed to the reduced reliance on coal for electricity production. Together, these market forces are leading to increased use of renewable energy sources such as wind and solar. Since the 2019 passage of the Energy Transition Act, nearly two gigawatts (2 GW) of renewable generation (1,849 megawatts of wind, 104 megawatts of solar, and 4 megawatts of battery storage) have come online in New Mexico. New Mexico is now home to the largest onshore wind energy development in North America.

The state is also harnessing the opportunities that hydrogen presents as a clean fuel in place of fossil fuels throughout our economy. This spring, Gov. Lujan Grisham signed Executive Order 2022-013, Establishing the Clean Hydrogen Development Initiative. New Mexico also partnered with Colorado, Utah, and Wyoming to create the Western Inter-State Hydrogen Hub coalition to establish a regional hydrogen hub in the mountain west.

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