

**MICHELLE LUJAN GRISHAM, GOVERNOR**

James C. Kenney, Cabinet Secretary

NEWS RELEASE*For Immediate Release***March 8, 2024**

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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Environment Department petitions Environmental Improvement Board to update air quality permitting fees*Revised fee structure will improve air quality permitting and compliance efforts*

SANTA FE —The New Mexico Environment Department (NMED) petitioned the Environmental Improvement Board (EIB) yesterday to update the fees and fee structure for air quality permits last updated nearly 20 years ago.

According to the [U.S. Bureau of Economic Analysis](#), New Mexico's economy is the 13th fastest growing in the nation with agriculture, construction, and mining among its fastest growing sectors. With such economic growth, NMED's proposed fee adjustments will improve permitting timelines, technical assistance, and compliance assurance efforts.

"Air permit fees are insufficient to hire and retain staff given New Mexico's growing economy," said **Environment Department Cabinet Secretary James Kenney**. "This proposal will allow us to decrease permit timeframes, increase our compliance efforts, and overall improve air quality."

With such growth, NMED has experienced an unprecedented increase in the number and complexity of air quality permit applications. At the same time, assuring compliance with state and federal air quality standards has also expanded significantly in the past 20 years. For example, the number of permitted oil and gas industry facilities has grown by over 2,235% from 34 permits in 2012 to 794 permits in 2023. On average, New Mexico receives 84 new oil and gas construction permit applications annually. During this period, NMED's permit fees remained constant and staffing levels remained flat.

"There is a lot of excitement about new business coming to New Mexico," stated **Environmental Protection Division Director Michelle Miano**. "These fee structure updates provide the resources we need to serve applicants effectively and provide a level playing field for businesses throughout the state."

The petition proposes the following changes:

- An increase to annual criteria pollutant emission fees from \$38.47 per ton to \$81 per ton (Title V Operating Permit Emissions, 20.2.71 NMAC).
- An increase to filing fees for newly constructed facilities from \$500 to \$2,000.
- Anchoring permit fees to the Consumer Price Index.

- Authority to include electronic billing and electronic payment methods.

The proposal will continue to provide exemptions for small businesses (see 20.2.75.11(C) NMAC). The small entity exemption allows reduced fees based on total emissions and average number of employees.

If adopted, and based on NMED modeling, the proposed updates will bring in approximately \$35.8 million to the Air Quality Bureau to support the long overdue expansion of Bureau staffing to fulfill its mission. This is compared to the approximately \$8.8 million that the Air Quality Bureau receives from the existing outdated fees. The Air Quality Bureau also intends to utilize additional funding for needed technology advancements, including an electronic billing and payment service to complement its existing ePermitting Portal.

NMED will hold a [virtual public informational meeting](#) from 4 to 6 p.m. on March 20, 2024, to review and discuss the proposed updates.

NMED has requested the EIB consider the Air Quality Bureau's petition on March 22, 2024, with the request for a hearing in June 2024. Once the EIB agrees to hear the petition, NMED will launch the [Public Comment Portal](#) to receive written public comments on the petition that will continue through the conclusion of the EIB hearing.

A copy of the petition is available [here](#).

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