

**New Mexico Is Blessed with Diverse and Abundant Energy Sources  
By Senator Pete Campos**

The sun shines on New Mexico more than 300 days a year, the wind consistently blows through Curry, Roosevelt, Quay and De Baca counties, natural gas production continues to support San Juan and Rio Arriba counties, and oil flows up from the Permian Basin, the most prolific oil play in the United States, to drive the economy in Lea and Eddy counties. Our state is blessed with diverse and abundant energy sources, and we should celebrate all of them.

Currently, our state is facing a budget crisis some consider to be the worst in our history. New Mexicans can benefit from the responsible development of our resources, and we — policymakers and citizens — must openly talk about how best to use these energy resources to improve our economy while protecting our land and water.

Water is crucial in New Mexico, and the protection of our water and the development of our energy resources are not mutually exclusive.

Renewable and traditional energy sources provide electricity and good jobs to New Mexicans. Electricity generated by renewable energy in New Mexico is anticipated to grow to 50 percent by 2030, with solar and wind being the largest contributors. One new project in Luna County is anticipated to increase the state's solar capacity by approximately 20 percent. The project will bring new jobs, with an eye to employing as many local residents as possible.

Wind is the other abundant renewable energy source in New Mexico. Currently, the state is home to eight utility-scale wind power plants that provide 750 megawatts of wind power capacity. The wind power plants are located throughout rural New Mexico near small communities. The wind power plant in De Baca and Quay counties will provide \$40 million of new revenue to the community over 25 years. This money will be distributed to the local school districts and landowners as well as in salaries for the newly created jobs.

Natural gas and oil production have played a pivotal role in New Mexico's economy for generations and need to remain a key component if we are to overcome our current fiscal crisis. Recently, the industry has undergone a renaissance with the advent of horizontal drilling and the continued use of a common technique, hydraulic fracturing, often called fracking. The Oil

.205597

Conservation Division, the agency responsible for regulating oil and gas production, has rules in place to protect our ground water and environment.

These energy sources — wind, solar and oil and gas — promise a great future for the state if developed wisely. First, they are not mutually exclusive. Wind turbines are built from polymers developed from petroleum products. Solar panels contain silicone, which is a polymer from petroleum products. Oil and gas could not be produced without electricity that often comes from wind and solar sources. Secondly, while more renewable energy is becoming available on the electrical grid, natural gas is still necessary for providing consistent power to consumers. Finally, the tax breaks provided for renewable energy are primarily funded by revenues from oil and gas production. New Mexico needs all of these energy sources for power, jobs and revenue to operate state and local government and the schools.

Revenues from oil and natural gas make up about 30 percent of the revenue to the state's General Fund. Due in part to the large revenue contribution from oil and gas, taxes are lower in New Mexico and education is funded better than we could otherwise support. The oil and natural gas revenues that flow into education and other state services add to the quality of life for New Mexicans.

Obviously, we have become overly dependent on the revenue from oil and natural gas. Our current fiscal crisis is, in large part, due to the low prices earned from oil and gas produced here, so direct taxes bring in less money; employment has decreased, so income tax revenue is down; and the many businesses related to oil and gas production have downsized. We need to diversify our economy so that we become less reliant on one industry.

New Mexico has an opportunity to maximize the effectiveness of solar, wind, natural gas and oil to provide economic growth for small communities while taking care of our land and water — but only if we are all involved in the conversation to make the best use of all of these energy resources.