

New Mexico Comprehensive Energy Transition Strategy

Policy Memos - Electricity Transmission Capacity Expansion

About CETS

The Comprehensive Energy Transition Strategy (CETS) is an initiative of the Energy, Minerals and Natural Resources Department (EMNRD) to develop New Mexico's first integrated roadmap for delivering reliable, affordable, safe, and sustainable energy. Launched in May 2025, the strategy will provide analysis and recommendations to guide near-, mid-, and long-term policy. These Draft Policy Memos form the CETS baseline analysis, combining research on existing policies and regulations with stakeholder engagement across the state legislature, agencies, industry, and advocacy organizations. Phase 2 (October 2025 - June 2026) will feature more extensive engagement and finalized recommendations.

Where New Mexico Stands Today

This context provides the foundation for the Phase I policy memos that follow.



Strong fiscal foundation

oil and gas revenues (currently about 40% of the general fund) and permanent funds that can support economic diversification.



Exceptional energy resources

including solar, wind, geothermal, and existing infrastructure with potential for regional transmission.



Community and workforce expertise

engaged Tribal and local communities, supportive policies, national laboratories, and skilled energy workforce.



Exposure to more extreme weather

increasing heat, droughts, and storms challenge grid resilience, energy reliability, and communities.

Phase 1: Policy Memos

New Mexico has made substantial progress in advancing its energy transition. Building on strong existing efforts, the policy memos in this phase identify strategic opportunities, implementation gaps, and enforcement challenges across nine critical areas:

1

Innovation in Clean, Firm Power Generation

Examines clean, firm power options—geothermal, nuclear, carbon capture, hydrogen, hydropower, and long-duration storage—to ensure reliability, affordability, and durable community support, advancing the energy transition.

2

Grid Modernization

Investigates how to align New Mexico's grid with its energy transition and economic growth goals and outlines targeted reforms to accelerate deployment and improve resilience.

3

Electricity Transmission Capacity Expansion

Examines the planning and permitting challenges that limit timely transmission deployment and outlines potential solutions to support transmission expansion to accelerate the clean energy transition.

4

Decarbonization of the Building Sector

Focuses on targeted reforms to strengthen the Sustainable Buildings Tax Credit, making it more equitable, transparent, and effective in driving building decarbonization statewide.

5

Workforce Readiness and Equitable Opportunity

Highlights opportunities to improve alignment between policy design and implementation, ensuring that New Mexico's clean energy investments deliver broad, equitable, and lasting economic benefits for its residents.

6

Policy Implementation

Examines how enhancing agency capacity, authority, tools, and resources can strengthen effective implementation of New Mexico's energy transition.

7

Clear Subsurface Authorities and Definitions

Explores how greater clarity for geologic hydrogen, geothermal, and methane can reduce uncertainty, attract investment, and advance New Mexico's energy transition.

8

Energy Systems Data and Emissions Reporting

Identifies data and governance gaps that limit New Mexico's ability to manage its energy transition effectively and outlines how to achieve close to real-time data visibility, evaluate policy impacts, and measure progress.

9

Investing in the Future: Revenue Diversification

Considers diversifying New Mexico's revenue base as the energy transition progresses into growing clean energy industries, reducing fiscal volatility, and stabilizing revenues.



Memo #3: Electricity transmission: Expanding capacity to serve in-state and regional electricity needs

To: Secretary Melanie Kenderdine, New Mexico Energy, Minerals, and Natural Resources Department

From: Comprehensive Energy Transition Strategy (CETS) Team

Date: October 7, 2025

Subject: Electricity transmission: Expanding capacity to serve in-state and regional electricity needs

Bottom Line Up Front

New Mexico's ability to meet its clean energy and reliability goals depends on expanding and upgrading its electricity transmission system to deliver low-cost power where it is needed most and to connect the state's renewable and firm resources to homes, businesses, and regional markets. The state has established a strong foundation through the Renewable Energy Transmission Authority's (RETA) proactive development model and new legislation supporting advanced grid technologies, but transmission expansion has not kept pace with rising electricity demand from industrial growth and electrification. Without faster, better-coordinated planning and permitting, reliability risks will grow, and uncertainty over transmission capacity will continue to deter investment. This memo examines the planning and permitting challenges that limit timely transmission deployment and outlines potential solutions to strengthen coordination, accelerate permitting for both new and upgraded lines, and ensure that host communities share in the benefits of the clean energy transition.

Issue Statement

Electricity transmission is the backbone of New Mexico's clean energy and economic future—linking the state's renewable and firm resources to homes, businesses, and regional markets. It is essential not only for achieving the state's clean energy and reliability goals under the Energy Transition Act (ETA), but also for supporting affordability and attracting new industries.

Electricity demand across sectors is projected to rise sharply, driven by population growth, industrial expansion, data center development, and the electrification of applications like transportation, buildings, and oil and gas operations. In the Permian Basin alone, S&P Global projects demand to increase from 4.2 GW in 2022 to 17.2 GW by 2032.¹ Approximately 5 GW of that demand would be within the Southwest Power Pool's (SPP) service territory. Stakeholders emphasized that this rapid load growth underscores both a challenge and an opportunity: without new transmission, reliability risks and interconnection delays will worsen, but coordinated investment could enable the oil and

gas sector to anchor critical upgrades. Strengthening transmission capacity will enable the state to deliver reliable, low-cost power to growing loads while supporting clean hydrogen, data centers, increased electric vehicle deployment, the Borderplex and Spaceplex, and advanced manufacturing—anchoring economic diversification and high-quality job growth across rural and urban regions alike.

New Mexico has already emerged as a national leader in proactive transmission development. RETA has used its bonding and acquisition powers to advance projects like Western Spirit, SunZia, and North Path, unlocking thousands of megawatts of renewable capacity while demonstrating effective coordination across state, federal, and Tribal jurisdictions.

The Legislature reinforced this leadership through House Bill 93 (2025), which directs utilities to deploy advanced transmission technologies—such as high-performance conductors and dynamic line ratings—and creates a presumption of prudence for their costs when reviewed by the Public Regulation Commission (PRC).² These provisions give utilities confidence to pursue cost-effective capacity expansion rather than waiting for new greenfield lines. The Energy, Minerals, and Natural Resources Department (EMNRD) and State Land Office (SLO) have modernized land-use and permitting frameworks, and RETA's 2024 partnership with the federal Permitting Council under FAST-41 made New Mexico the first state to integrate federal permitting support directly into state processes.

Yet continued action is urgent. The 2025 Grid Modernization Study found that one-third of businesses considering New Mexico ultimately chose not to locate in the state due to uncertainty about grid reliability and available transmission capacity.³ Additionally, when asked about barriers to deployment, survey respondents repeatedly listed "transmission capacity" as the most significant gap. Some specifically cited "transmission red & yellow zones," or areas where grid infrastructure is at or near capacity limits. Large-scale projects like SunZia and Western Spirit have demonstrated New Mexico's ability to build regional high-voltage transmission, though on timescales incompatible with meeting New Mexico's clean energy goals.

Most new lines are designed primarily for export, which has triggered local pushback from communities that host infrastructure yet see limited direct energy benefit. Yet the RETA Act requires RETA to "give priority to those contracts that will transmit or store electricity to be sold and consumed in New Mexico," if practical, underscoring that transmission should not only enable exports but also ensure New Mexico communities and businesses gain direct access to renewable power.⁴ Ensuring that future projects deliver clear in-state benefits, such as lower electricity costs, stronger reliability, and direct access to clean power for communities and businesses, will be essential to building durable public support. Community skepticism is one reason the SunZia line took 17 years to site and permit.

Without faster expansion of high-capacity corridors and upgrades to existing lines, New Mexico risks losing future investment to neighboring states with clearer transmission

pathways. RETA's forthcoming Transmission and Energy Storage Planning Study is an opportunity to close that gap by mapping corridors that align with industrial development zones and priority load centers, creating a blueprint for targeted investment that connects clean power to economic growth.

At the same time, utilities and policymakers are evaluating whether to join an organized regional electricity market to strengthen reliability and reduce costs for consumers. New Mexico's location at the crossroads of the Western Electricity Coordinating Council (WECC) and the Southwest Power Pool gives it an opportunity to connect two grids and anchor new regional load growth—provided the state continues to streamline planning, permitting, and coordination.

Through its forward-looking statutes, collaborative institutions, and record of innovation, New Mexico is well-positioned to show how strategic transmission investment can deliver affordability, reliability, and clean growth while ensuring that New Mexicans capture the benefits of the clean-energy economy.

Supporting Analysis

This analysis draws on three primary sources: (1) review of relevant statutes, regulations, and policy frameworks; (2) semi-structured interviews with stakeholders across state agencies, industry, and advocacy groups; and (3) survey responses from over 60 stakeholders representing government, industry, community organizations, and research institutions. The triangulation of these methods reveals significant opportunities to accelerate New Mexico's clean energy transition through improved long-term planning, modernized permitting processes, and a consistent focus on delivering tangible benefits to New Mexicans. These findings are described in further detail below.



Transparent, long-term planning can ensure all New Mexicans share in transmission's benefits.

RETA is New Mexico's leader in proactively planning for and coordinating the development of high-voltage transmission. The PRC noted in a 2024 report to the Legislature that it does not yet require utilities to do long-term transmission planning.⁵ Instead, RETA has already produced two transmission studies in 2020 and 2022 and recently issued a request for proposals (RFP) for a comprehensive transmission and energy storage plan. The project scope focuses on addressing New Mexico's grid challenges, defined to include resilience, reliability, and capacity, although it does not explicitly address affordability. The scope also calls for planning horizons of ten years and includes a focus on both New Mexican electricity demand and broader regional demands. One interviewee echoed the need for proactive planning, saying, "We can either be reactive and keep doing it the most expensive way... Or we can ask what the future grid is going to look like, and let's go there."

Another area in which the RETA transmission and storage planning study demonstrates the state's leadership is the recognition of storage's benefits to the transmission system. While most utilities are currently deploying lithium-ion batteries, usually with 4-hour capacities, the study RFP includes a focus on long-duration storage and its potential to address capacity issues.

In May 2024, the EFI Foundation studied the drivers of high costs and long interconnection timelines for connecting new generation. Several conclusions emerged that are relevant to New Mexico's transmission planning. First, long interconnection queues are largely driven by a failure to proactively ensure sufficient grid capacity to connect new generation and load. This conclusion was echoed by several interviewees, one of whom stated, "Often, upgrades needed for interconnection are cost-prohibitive because of a lack of prior investment and system capacity." Second, transmission planning should consider the long-term (e.g., 20-year time horizons given how long it takes to build new transmission capacity) and account for a wide range of economic and reliability benefits, and the way those benefits are identified and quantified must be transparent so that stakeholders trust the conclusions. FERC Order 1920 requires regional transmission planners to consider at least seven benefits when evaluating the costs and benefits of proposed lines.⁶ Third, one strategy for broad-based support is to ensure that costs and benefits are equitably distributed across a region so that everyone can see how they benefit from investments in new capacity.

As RETA aims to strike a balance between planning for in-state needs and those of regional markets, the Midcontinent Independent System Operator (MISO) provides a strong example for building broad-based support for portfolios of transmission investments. MISO is conducting a set of long-range transmission planning exercises, composed of multiple tranches of projects. When assembling its "tranche 1" portfolio of projects in 2022, it split the region into seven zones. The planners then assembled a portfolio of projects that provided roughly equal ratios of benefits to costs, ensuring that all sub-regions benefited and no sub-region bore a disproportionate share of the costs.⁷ However, while MISO's "tranche 2" portfolio used a similar methodology, it is now being challenged in court by several utility commissioners who disagree with the way benefits were calculated, demonstrating the importance of building early buy-in for not just what benefits are evaluated but also the methodology for calculating them.⁸

Experience shows that visible, enforceable host benefits and proactively working with communities before routes are finalized can accelerate siting and reduce litigation risk. Stakeholders emphasized that export-oriented lines often face local pushback when direct benefits are unclear. Despite the 17 years required to permit SunZia, the resulting public benefits framework provides a model that may help other projects move more quickly: Pattern Energy has committed more than \$1.3 billion in direct fiscal benefits to governments, schools, and landowners across New Mexico and Arizona, including a formal Community Benefits Program to fund local initiatives and educational partnerships.⁹ New

York provides another example, in which it pairs faster siting decisions for large energy generation projects with a requirement that host communities receive a credit on their utility bills for the first 10 years the facility is operating.¹⁰ In Virginia, utilities are authorized to build fiber optic capacity along their transmission routes and then lease that capacity to internet service providers, allowing them to establish “last-mile” connections to customers.¹¹ Such an approach enables more cost-effective development of fiber infrastructure and expands the benefits of transmission developments.

The SunZia and RioSol lines provide a positive example for demonstrating how new transmission lines can serve in-state and export needs. By pairing a high-voltage direct current line (SunZia), which is ideal for long-distance transmission, with a high-voltage alternating current line (RioSol), ideal for connecting to local systems, the two lines enable significant operational flexibility in determining where and how much wind power to deliver to customers in New Mexico and across the region.¹²

As New Mexico builds transmission infrastructure to serve regional needs, developers and policymakers can draw lessons from projects that faced community pushback due to concerns about where lines were sited and whether and how host communities would benefit. For example, the New England Clean Energy Connect provides a warning of what happens when host communities do not trust that they will benefit from hosting a transmission line, even if it supports clean energy goals. The project to deliver hydropower from Quebec to Massachusetts was designed to pass through the state of Maine. Despite the promise of financial benefits of hosting the line, Mainers voted to suspend construction of the line in part over anger about how the line was planned and how its design meant none of the power flowing across the line would make it to Maine customers, threatening the state’s ability to meet its own clean energy goals.^{a,13}

Potential Solutions

RETA could expand its current study scope to include a rigorous, public benefit-cost framework and align with other regional transmission and storage planning efforts.

The plan could evaluate the seven reliability and economic benefits included in FERC Order 1920 along with benefits like a project’s contributions to the state’s ability to meet its clean energy goals under the ETA. As New Mexico considers whether to join an organized electricity market, the plan process and methodologies could align with the processes that the California Independent System Operator (CAISO) and/or SPP adopt to maximize harmonization with other regional plans. The plan process and methodology could also be harmonized with the Western Transmission Expansion Coalition, which is pursuing a study of transmission needs across the Western interconnect over 10- and 20-year horizons.¹⁴ Given the study’s existing dual focus on transmission and storage, planners could also leverage the results and methodologies of the National Renewable Energy Laboratory’s

^a The Maine Supreme Court ultimately overturned the referendum and allowed construction on the line to proceed.

recent Storage Futures Study. The study examined the potential role of storage on the grid through 2050 and included several conclusions about how storage can both bolster the grid and reduce or defer the need for large infrastructure investments.¹⁵

The PRC could utilize transmission plans as input for evaluating utility integrated resource plans, given that they not only document potential portfolios of projects but also their associated costs and benefits. Specifically, the PRC could require that utilities that propose transmission investments that differ from what RETA produces justify how the utility's proposal provides greater net benefits to electricity customers.

RETA could adopt a prioritization rubric that favors transmission proposals that include binding agreements with host communities, given the authority's finite capacity. Examples include community benefits agreements with host counties/Tribes (e.g., bill-credit programs, dedicated community funds, local-hire/apprenticeship targets), and/or include design features that create in-state value, such as delivery points/"off-ramps" to provide host communities with access to power. New Mexico can point to current practice and other states' models: SunZia's public materials commit to a formal Community Benefits Program and substantial fiscal contributions to governments, schools, and landowners, while New York's Host Community Benefit Program provides direct bill credits to residents near projects. RETA can translate these into standard commitment clauses and give process priority (e.g., coordination, bonding support) to projects that sign them.



Modernized permitting can enable transmission to be built more quickly while retaining strong social and environmental standards.

Transmission permitting is governed by nearly 40 laws and regulations at the state level alone, but RETA has been effective in improving coordination. In a 2023 interview with the Albuquerque Journal, the former RETA Executive Director, Fernando Martinez said, "Western Spirit took ten years and didn't even include the level of federal permitting SunZia went through...There are 38 different statutes and regulations at the state level, from environmental impact and air quality control to protection of cultural sites. And then there's local and county requirements to deal with."¹⁶ Echoing that, one interviewee noted how a line that is currently being operated must get input from "eight federal agencies, eight state agencies, eight counties, and ten Navajo Nation agencies."

New Mexico's siting requirements provide mixed support for accelerating siting decisions. New Mexico's statute on utility location control requires the PRC to approve the locations of proposed transmission lines as long as the project complies with all applicable standards. It also requires the PRC to decide on siting requests within six months of a request being filed, and enables the PRC to supersede local ordinances if local agencies fail to act in a timely manner.¹⁷ However, transmission line siting decisions remain subject

to local rules and regulations, meaning developers must navigate new sets of requirements every time a line passes into another jurisdiction.

Interviews with multiple stakeholders portrayed engagement with RETA as overwhelmingly positive, praising the model in for its streamlined permitting process and tax benefits.¹⁸ One interviewee noted that RETA reduces regulatory hurdles and lends legitimacy to out-of-state developers, helping them earn the trust of local communities that have often been wary due to past experiences. In 2024, RETA and the federal Permitting Council formed a first-of-its-kind state permitting collaboration to provide federal permitting support to RETA-supported projects that also qualify for the federal government's FAST-41 program.¹⁹ The support includes dedicated staff and regular convenings to coordinate efforts between the two entities.

Transmission permitting processes present opportunities for further streamlining.

Several stakeholders noted that despite positive efforts to accelerate siting and permitting, e.g., establishing RETA, getting approval to build a transmission project remains too complicated. Survey respondents confirmed that "long permitting times for transmission lines" remain a significant barrier. For example, one interviewee noted that a transmission line that is currently being developed requires permits to be issued by nearly 30 agencies (federal, state, Tribal, local), with many of those agencies requiring multiple permits. As a result, large projects can take more than a decade to permit, with the SunZia transmission line requiring 17 years to secure all the necessary approvals.

New Mexico has already taken meaningful steps to facilitate projects that expand the capacity of existing transmission corridors.

House Bill 93 (2025) established a clear policy direction for utilities to consider and deploy advanced transmission technologies—including high-performance conductors, dynamic line ratings, and power-flow control devices—when upgrading existing infrastructure.²⁰ Importantly, HB 93 created a presumption of prudence for costs associated with these technologies when utilities present them in rate cases, signaling to regulators and developers that such investments are both encouraged and recoverable. This statutory recognition reduces financial uncertainty and makes it easier for utilities to pursue upgrades rather than defaulting to new greenfield projects. While New Mexico does not yet differentiate permitting pathways for reconductoring or capacity-expanding projects, the policy direction set by HB 93 and RETA's coordination with the federal Permitting Council under the FAST-41 framework demonstrates growing state capacity to accelerate lower-impact upgrades within existing rights-of-way. Together, these actions position New Mexico ahead of many peer states in acknowledging the value of grid-enhancing technologies as a cost-effective strategy for expanding transmission capacity.

Other jurisdictions have begun to adopt targeted approaches to accelerate these kinds of capacity-expanding projects.

In 2024, the White House Council on Environmental Quality (CEQ) proposed a rule that would have explicitly granted categorical exclusions for reconductoring projects that remain within existing rights-of-way and do not

cause significant new environmental disturbance—an approach intended to shorten NEPA review timelines for low-impact grid upgrades²¹ Similarly, Washington State’s ESHB 1819 (2024) directs state regulators to develop expedited environmental review processes for “non-greenfield” transmission projects such as reconductoring, reconnection, or voltage uprating within existing corridors, recognizing their lower environmental and community impacts.²² Together, these examples illustrate how states and federal agencies are beginning to differentiate upgrades from entirely new construction—an approach New Mexico could study to reduce permitting burdens while maintaining environmental safeguards.

New Mexico has also established policy foundations to enable transmission lines to use existing highway rights of way (ROW), but successful implementation will require effective coordination across agencies. With nearly 2,000 miles of freight tracks and over 1,000 miles of interstate highways, New Mexico may benefit from siting new transmission on existing rights of way.^{23,24} For example, the Badger-Coulee transmission line in Minnesota was sited along an interstate corridor, avoiding the need to cross the property of more than 300 private landowners, after the Legislature passed a law to incentivize siting along existing ROWs.²⁵ The New Mexico Department of Transportation established a policy to accommodate utilities on highway ROWs, creating the framework for such projects to advance.²⁶ However, a recent workshop at the National Academy of Sciences highlighted the significant coordination challenges across agencies, among other challenges, making clear that the use of existing ROWs is not a panacea.²⁷

Potential Solutions

The Legislature could authorize EMNRD, NMED, and the PRC to jointly develop state-level categorical exclusions for projects that expand transmission capacity within existing rights-of-way. This would include reconductoring, voltage uprating, installation of advanced conductors, or deployment of grid-enhancing technologies that increase efficiency without significant new ground disturbance. The model could follow Washington State’s ESHB 1819 (2024), which directed agencies to create categorical exclusions under its State Environmental Policy Act for low-impact grid upgrades, reducing redundant review while maintaining environmental safeguards.²⁸ A similar framework in New Mexico would clarify that projects improving existing infrastructure qualify for expedited review.

The Legislature could establish a Clean Energy Concierge Office within EMNRD to serve as a single point of entry for transmission developers. This office could guide applicants through state and federal permitting processes, coordinate interagency reviews, assist with federal funding applications, and maintain a transparent permitting dashboard. A strong precedent for this approach exists in New York’s Office of Renewable Energy Siting and Electric Transmission (ORES), which was established to consolidate multiple state and local reviews into a single, time-bound process.²⁹ ORES coordinates agency input, enforces a one-year deadline for major project decisions, and provides developers with a dedicated point of contact throughout the permitting process—functions that mirror a concierge’s


role in navigating complex bureaucracies. If a standalone concierge office is not pursued, New Mexico could at least designate a lead coordinating agency—such as RETA or EMNRD—for transmission permitting reviews, ensuring that developers have one clear entity responsible for managing interagency coordination and reporting progress to the Governor’s Office.

The Legislature could authorize and fund a Permitting Modernization Working Group, co-chaired by RETA and EMNRD, to review all permitting requirements for active and proposed transmission projects. The group’s mandate would be to identify opportunities to modernize technology use in reviews (e.g., digital platforms for document tracking, GIS-based siting tools), eliminate duplicative steps across agencies, and ensure that permitting offices are adequately staffed to manage project workloads. The group could report annually on progress and propose statutory or budgetary fixes to accelerate reviews. Funding for the Working Group could also enable members to participate in regional transmission coordination councils, like the Committee on Regional Electric Power Cooperation Transmission Collaborative, to align siting and permitting requirements region-wide. It could also coordinate with local entities to standardize processes and requirements while retaining strong social and environmental standards.

Potential Avenues for Solutions

| Key |
|---|
| <i>Solution may be pursued through:</i> |
| Legislative Action |
| Administrative/Regulatory Action |

Table 1. Feasible and Impactful Solutions

| Gap | Feasible and Impactful Solutions |
|--|--|
|  <p>Transparent, long-term planning can ensure all New Mexicans share in transmission’s benefits.</p> | <p>RETA could expand its current study scope to include a rigorous, public benefit-cost framework and align with other regional transmission and storage planning efforts. The plan could evaluate the seven reliability and economic benefits included in FERC Order 1920 along with benefits like a project’s contributions to the state’s ability to meet its clean energy goals under the ETA. As New Mexico considers whether to join an organized electricity market, the plan process and methodologies could align with the processes that the California Independent System Operator (CAISO) and/or SPP adopt to maximize harmonization with other regional plans. The plan process and methodology could also be harmonized with the Western Transmission Expansion Coalition, which is pursuing a study of transmission needs across the Western interconnect over 10- and 20-year horizons. Given the study’s existing dual focus on transmission and storage, planners could also leverage the results and methodologies of the National Renewable Energy Laboratory’s recent Storage Futures Study. The study examined the potential role of storage on the grid through 2050 and included several conclusions about how storage can both bolster the grid and reduce or defer the need for large infrastructure investments.</p> |
| | <p>The PRC could utilize transmission plans as input for evaluating utility integrated resource plans, given that they not only document potential portfolios of projects but also their associated costs and benefits. Specifically, the PRC could require that</p> |

| | |
|--|--|
|  <p>Modernized permitting can enable transmission to be built more quickly while retaining strong social and environmental standards.</p> | <p>utilities that propose transmission investments that differ from what RETA produces justify how the utility’s proposal provides greater net benefits to electricity customers.</p> |
| | <p>RETA could adopt a prioritization rubric that favors transmission proposals that include binding agreements with host communities, given the authority’s finite capacity. Examples include community benefits agreements with host counties/Tribes (e.g., bill-credit programs, dedicated community funds, local-hire/apprenticeship targets), and/or include design features that create in-state value, such as delivery points/“off-ramps” to provide host communities with access to power. New Mexico can point to current practice and other states’ models: SunZia’s public materials commit to a formal Community Benefits Program and substantial fiscal contributions to governments, schools, and landowners, while New York’s Host Community Benefit Program provides direct bill credits to residents near projects. RETA can translate these into standard commitment clauses and give process priority (e.g., coordination, bonding support) to projects that sign them.</p> |
| | <p>The Legislature could authorize EMNRD, NMED, and the PRC to jointly develop state-level categorical exclusions for projects that expand transmission capacity within existing rights-of-way. This would include reconductoring, voltage uprating, installation of advanced conductors, or deployment of grid-enhancing technologies that increase efficiency without significant new ground disturbance. The model could follow Washington State’s ESHB 1819 (2024), which directed agencies to create categorical exclusions under its State Environmental Policy Act for low-impact grid upgrades, reducing redundant review while maintaining environmental safeguards. A similar framework in New Mexico would clarify that projects improving existing infrastructure qualify for expedited review.</p> |
| | <p>The Legislature could establish a Clean Energy Concierge Office within EMNRD to serve as a single point of entry for transmission developers. This office could guide applicants through state and federal permitting processes, coordinate interagency reviews, assist with federal funding applications, and maintain a transparent permitting dashboard. A strong precedent for this approach exists in New York’s Office of Renewable Energy Siting and Electric Transmission (ORES), which was established to consolidate multiple state and local reviews into a single, time-bound process. ORES coordinates agency input, enforces a one-year deadline for major project decisions, and provides developers with a dedicated point of contact throughout the permitting process—functions that mirror a concierge’s role in navigating complex bureaucracies. If a standalone concierge office is not pursued, New Mexico could at least designate a lead coordinating agency—such as RETA or EMNRD—for transmission permitting reviews, ensuring that developers have one clear entity responsible for managing interagency coordination and reporting progress to the Governor’s Office.</p> |
| | <p>The Legislature could authorize and fund a Permitting Modernization Working Group, co-chaired by RETA and EMNRD, to review all permitting requirements for active and proposed transmission projects. The group’s mandate would be to identify opportunities to modernize technology use in reviews (e.g., digital platforms for document tracking, GIS-based siting tools), eliminate duplicative steps across agencies, and ensure that permitting offices are adequately staffed to manage project workloads. The group could report annually on progress and propose statutory or budgetary fixes to accelerate reviews. Funding for the Working Group could also enable members to participate in regional transmission coordination councils, like the Committee on Regional Electric Power Cooperation Transmission Collaborative, to align siting and permitting requirements region-wide. It could also coordinate with local entities to standardize processes and requirements while retaining strong social and environmental standards.</p> |

Stakeholder Overview

The following table and list highlight examples of legislative champions (lawmakers who have sponsored or supported policies relevant to permitting) and other stakeholders whose roles, expertise, or influence intersect with permitting issues in New Mexico.

Table 2. Potential Legislative Champions

| Role | Name | District | Justification |
|----------------|----------------|----------|--|
| Senator | Liz Stefanics | 39 | Chair of the Senate Conservation and Water & Natural Resources Committees; has supported grid modernization, transmission expansion, and energy storage legislation; influential in shaping statewide clean energy policy. |
| Representative | Meredith Dixon | 20 | Vice Chair of House Appropriations & Finance and member of the House Energy, Environment, and Natural Resources Committee; strong advocate for infrastructure investment and coordination among state agencies. |
| Senator | Peter Wirth | 25 | Senate Majority Leader; supported legislation on renewable energy, efficiency, and modernization of state energy frameworks; has emphasized the need for forward-looking planning to attract investment and improve reliability. |
| Representative | Angelica Rubio | 35 | Member of House Water and Natural Resources Committee; focuses on equitable clean energy development and just transition, including community benefits and workforce development for infrastructure projects. |

Preliminary List of Key Stakeholders

- **Regulatory Agencies:** Public Regulation Commission (PRC); Environment Department (NMED); State Lands Office (SLO)
- **State Agencies:** Energy, Minerals, and Natural Resources Department (EMNRD)
- **Quasi-Governmental Entities:** Renewable Energy Transmission Authority (RETA);
- **Investor-Owned Utilities and Cooperatives:** Public Service Company of New Mexico (PNM); El Paso Electric; SPS/Xcel Energy; New Mexico Rural Electric Cooperative Association and member co-ops; Tri-State Generation & Transmission

- **Industry and Developers:** Invenergy; Pattern Energy
- **Tribal Governments and Organizations:** Navajo Nation (Navajo Nation EPA); Pueblo Nations
- **Labor and Workforce Organizations:** New Mexico Federation of Labor, AFL-CIO; New Mexico Building & Construction Trades Council;
- **Community-Based and Environmental Organizations:** Conservation Voters New Mexico (CVNM); New Mexico Environmental Law Center (NMELC); Western Resource Advocates (WRA – NM program).

DRAFT

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