

Governor Lujan Grisham 2023 Hydrogen Legislative Agenda

and

Marching Orders to EDD, EMNRD, NMED, T&R, and IAD

1. EO 13: Establishing the clean hydrogen development initiative and implementing various measures to foster a hydrogen economy for the benefit of all New Mexicans

On the same day – March 10, 2022 -- that Governor Lujan Grisham held a [meeting in Albuquerque](#) with hydrogen developers and announced the \$10M LEDA loan to Universal Hydrogen, the Governor also issued [Executive Order 13](#). The EO continues efforts to allow NM utilities generating electricity by burning hydrogen to qualify under the RPS by providing definitions of clean hydrogen, no-carbon hydrogen, zero-carbon hydrogen. The EO also instructs her agencies to:

- a. provide support to the 4-state MOU workgroup preparing a DOE hydrogen hub funding application;
- b. recommend, one week before the 2023 session, additional programs or incentives to support development of a NM hydrogen industry;
- c. for EDD, include hydrogen as a key economic sector in the Statewide Strategic Plan and review existing programs to provide support for hydrogen development;
- d. for EMNRD and NMED, develop a proposal for the PRC to deem “no-carbon” electric generation facilities as eligible for treatment as zero-carbon resources under the RPS. (This would be predicated on natural gas feedstock for blue hydrogen being certified as responsibly-sourced; i.e. no emissions, and on successful operation of CCS facilities.)
- e. for EMNRD, recommend resources needed to support development of carbon sequestration, including obtaining state primacy for permitting carbon storage wells, establishing pore space ownership, and establishing ownership of and financial assurance for stored carbon.

NB that these agency assignments track closely with the oil and gas industry policy measures contained in the red-line New Mexico Climate Change Task Force Draft Plan sent out by Camilla in an email to our climate group on May 10th; i.e., state primacy for permitting carbon storage wells, legislation on ownership of pore space, and Hydrogen Hub Act legislation.

2. Responsibly Sourced Gas

Per above, a critical piece in seeking to legitimize blue hydrogen as a low- or no-carbon energy source is the promise that voluntary, third-party certification is a solution to eliminating upstream methane emissions from natural gas production. Playing into this effort is a recent announcement by Exxon that it has received certification from [MiQ](#), a RMI spin-off, for a production facility located in the New Mexico Permian (Poker Lake).

“ExxonMobil cuts methane pollution from fossil fuel operations in New Mexico”

<https://www.currentargus.com/story/news/2022/05/04/exxonmobil-methane-pollution-new-mexico-fossil-fuel-facilities-oil-gas-permian-basin-climate-change/9629404002/>

According to the story,

“The certifier gave Poker Lake an “A” grade, per a news release, the top rating MiQ gives to energy companies for using carbon capture technologies when producing fossil fuel.”

“This certification further validates the steps we have taken to reduce methane emissions, which is part of our plans to achieve net zero Scope 1 & 2 greenhouse emissions in our Permian Basin unconventional operations by 2030,” [Exxon] said.

“One of southeast New Mexico biggest power providers, Xcel Energy planned to purchase the certified gas from Exxon for use in electricity generation, a step toward the utility’s goal of cutting all carbon emissions from its provided power by 2050.”

While industry and the MLG Administration can be expected to point to this example and argue that sourcing natural gas from certified facilities means the gas is “clean” or even zero-carbon, we will be able to point to many factors that argue the opposite:

- there are no standards for certification (each company in this space has its own process) and no assurances about how much methane is still emitted;
- Exxon and any other operator has to rely on the entire production and distribution system to get their gas to an end user, and those facilities all emit methane;
- Exxon has announced plans to increase Permian oil and gas production by 25% in the coming year(s);
- according to a CATF-CERES methane polluters [report](#) based on the EPA GHGRP, Exxon was basically tied with Hilcorp as by far the largest ghg emitter in the country (but with a higher share of CO2 emissions than methane);
- Earthworks may have OGI footage of methane leaks from Exxon facilities
- as soon as we have access to OCD’s data from the new venting and flaring reporting system under the waste rule, we will be able to spotlight Exxon’s ongoing methane emissions. The OCD spills data base can also be used to highlight Exxon’s climate pollution.