

**State Policy Trends towards Tribal Energy  
Tribal Energy in the Southwest  
December 11, 2006  
Albuquerque, NM**

**Big picture overview of policy trends**

Policy trend has lately been towards more hands-on government involvement in energy

- Environmental concerns

- More involvement in energy markets by government

- More consumer protections

- But like a pendulum, these trends will peak, then reverse at some point in future

  - This pendulum effect is a recurring one in the energy business

  - Recall just a few years ago the headlong rush to deregulation of the electricity market in NM

**Environmental Issues Will Impact tribes**

Environmental concerns are a mixed bag for Tribes in New Mexico

- State and federal support for development of renewable energy resources

- More restrictions on coal

- But new opportunities for nuclear industry?

- Many renewable opportunities to take advantage of

Climate Change Advisory Group (CCAG)

- Task Force appointed by the Gov. Richardson in 2005

- Purpose: reduce NM's greenhouse gas (GHG) emissions:

  - To 2000 levels by 2012

  - Further reductions to 10% below 2000 level by 2020

  - 75% reduction by 2050

- Final report on how to do this due in December

- Coal-fired power plants could be significantly impacted

- Mining and natural gas processing, too

- Concerns over energy-based jobs

PRC starting development of a rule to limit carbon emissions

- Impact on coal-fired generation, natural gas processing, and mining

With changes in Washington, we could see further movement towards restricting GHG emissions

Counter to this push, however, is the desire for energy independence

- These 2 movements may tend to balance each other

Integrated Resource Planning legislation gives the state more authority over utility operations with emphasis on clean energy

Energy Efficiency legislation requires utilities to offer programs

**Enhanced interaction between Tribes and State Government**

Tribal Liaison Officer hired by the PRC

- Indicates not only PRC direction, but Legislature's support, too

Proposed Renewable Energy Transmission and Storage Act

- Bill to create new State-sponsored authority to build transmission lines

- Several attempts to pass legislature
  - Another run expected this year
- Backed by Go. Richardson
- Includes an appointed Board to oversee Authority's efforts
  - Last-year's version included the President of the Navajo Nation as a permanent Board member
- Stated purpose is to assist in the development of renewable energy resources
  - But most of the power will be from natural gas or coal sources
  - Energy providers need to be ready with all types of new generation
  - Or partner existing resources with renewables for bundled sales
- Increased effort at PRC to make customers aware of LIHEAP support
  - (Low-income Home Energy Assistance Program)
- Growing emphasis at State level for protecting low-income consumers
  - A bill prohibiting the cut off of LIHEAP-eligible customers for non-payment during winter was passed during 2005 Special Session of Legislature
- Desert Rock power project
  - State involvement with Tribal decision-making via State tax policy
  - A bill creating tax breaks for the project stirred controversy, eventually failed