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Public Policy Forum

Regional Reliable Energy Delivery and Emission Reductions

January 28, 2026 | Hobbs, NM | NMJC

Post Forum Report

OVERVIEW

On January 28, 2026, a Comprehensive Energy Transition Strategy public policy forum was held in Hobbs, NM, titled Regional Reliable Energy Delivery and Emission Reductions. The three-hour forum was convened to capture a variety of viewpoints, recommendations and actions related to the development of energy policy in New Mexico. Stakeholders represented a variety of areas including state government agencies, non-governmental organizations, academia and industry. Forty-five people registered for the event, with 35 in attendance, most likely due to adverse weather conditions. Registrants were asked to complete a pre-survey prior to attending the event. (See Appendix A for survey results.) The forum was opened with remarks by the Acting Cabinet Secretary of the New Mexico Energy, Minerals and Natural Resources Department, Erin Taylor.

SUBJECT MATTER EXPERTS

Two area subject matter experts (SMEs) provided brief presentations at the beginning of the forum. Erin McMath, a petroleum engineer with Newbourne Energy, and James Lackey, Director of Customer Relations with Xcel Energy.

Several key themes came out of the SMEs presentations, including the following:

- The oil and gas industry in the Permian Basin is reducing emissions, per the ozone precursor methane waste regulations in New Mexico.
- The oil and gas industry are increasingly using electricity for a variety of functions including well drilling, compressor stations, pipeline compression and water handling.
- Oil and gas industry activities in the Permian Basin make significant contributions to the economy of New Mexico through taxes, general fund and non-general fund contributions, education, and employment and wages.
- Reducing oil and gas industry emissions comes alongside more demand for electricity; currently the industry has unmet requirements for large electric loads.
- Challenges in providing electricity include factors such as federal and state regulatory environment timelines and transmission interconnection processes through the Southwest Power Pool.
- The industry is using behind-the-meter solar to reduce its carbon footprint. The ongoing challenge is the need for baseload, 24-7 power.
- The majority of electricity powered and delivered by Xcel Energy, the region's investor-owned utility electric provider, is to the oil and gas industry.
- Xcel Energy has been reducing its carbon emissions since 2005 and has a current mix of wind, solar, storage, natural gas, and soon-to-be-retired coal. It is meeting current demands with company-owned generation and purchased power.
- Xcel Energy's peak demand was 6,387 megawatts (MW) in 2025. The company currently has 13,951 MW of power service requests since 2023 and projects a peak of at least 20,000 MW by 2035.
- The company has determined that the increased system demand and timelines for interconnection require that natural gas needs to be part of its resource additions, in addition to combination of solar plus storage, solar, and wind. This is reflected in a recent NM Public Regulation Commission filing.

FORUM CHALLENGE STATEMENT

The following statement was provided to guide open discussion during the forum.

Southeast New Mexico is home to a large and fast-growing oil and gas industry and is also home to large-scale renewable energy development, especially, especially wind power. The demand of electricity in the region has increased considerably as the oil and gas industry has grown and electrifies certain operational components. Other factors contributing to this increased demand include population growth, growth of other industries, and extreme weather events. New Mexico's energy transition calls for reduced emissions in the gas and oil industry (already underway per state regulation) and development of clean and reliable energy, as well as keeping New Mexico communities economically strong. Southeast New Mexico can continue to reduce emissions while identifying new opportunities for clean energy growth and workforce transition.

SUMMARIES OF FEEDBACK FROM PARTICIPANTS (Starts below and continues through page 5)

See Appendix B for Available Resources Surfaced in Forum.

REGIONAL VISION FOR THIS CHALLENGE IN THE NEXT 10 TO 15 YEARS

- Establish a steady, reliable energy supply supported by continued innovation.
- Deploy Small Modular Reactors (SMRs) and expand nuclear energy investment.
- Streamline access to natural resources and improve permitting efficiency.
- Address infrastructure gaps, including energy transmission and road systems.
- Bridge workforce and STEM skill shortages through enhanced training programs.
- Tackle affordable housing and public education challenges and childcare shortages to retain talent.
- Provide community incentives for developers facing high development costs.
- Address benefit inequities for immigrant workers (benefits, insurance, unemployment).

GENERAL REGIONAL CHALLENGES

- Lack of affordable housing in the region for the energy workforce.
- Lack of basic infrastructure to support new developments, such as neighborhood housing.
- Lack of childcare and high-quality public education to support working families.
- Roads and highways are in bad shape and in need of repair.
- Resistance to further economic development and to attracting new industry to the region.

INDUSTRY AND ECONOMIC DEVELOPMENT CHALLENGES

- The electric utility industry is experiencing challenges driven by supply chain disruptions, material costs, and increased demand.
- There is potential for geothermal energy in the region as a baseload renewable resource, but it will require extensive subsurface mineral research.
- Persistent NIMBY (Not In My Backyard) attitudes hinder project deployment, often due to concerns about pipelines and visual impact (viewshed).
- Transmission development remains a top barrier for new energy projects.
- Perceived "odor" in gas and oil producing communities.
- The region and its industries lack surface water supply; desalination is considered a critical future solution.
- Desalination plants require significant energy input, creating a reciprocal need for reliable power generation.
- Perceptions that the gas and oil industry is declining.
- General constraints on adding more generation and transmission as demand grows, for example from lengthy utility interconnection queues.

RELATED TRANSPORTATION CHALLENGES

- New Mexico building codes are being enforced strictly on the definition of "EV ready" in new homes and commercial buildings. This is adding time and costs to construction.
- Range anxiety for industry drivers covering large distances.
- The perception that EV owners don't contribute to a fair share of local taxes as they are not purchasing gas.

ENERGY WORKFORCE CHALLENGES

- Workforce not prepared for work post high school, lacking communications and math skills. Some believe it is the low rank of New Mexico's education system.
- A number of undocumented workers are employed in the regional energy industry but may not be not receiving equal benefits and commitment to workplace safety.
- Underserved communities have hard-to-reach populations due to multiple barriers including language, access to technology, and trust.

POLICY IDEAS AND OTHER SOLUTIONS TO HELP ADDRESS REGIONAL ENERGY CHALLENGES

- Provide incentives for the purchase of all hybrid vehicles. (The State's clean car incentive does not currently cover all hybrid vehicles).
- Consider natural gas as a "clean fuel" in policies such as the NM Energy Transition Act.

- Private Public Partnership legislation needs to be passed, addressing the anti-donation clause. (Examples used were potential for additional EV charging infrastructure and geothermal energy).
- Generate more investment and production from nuclear power, addressing both federal regulations and public perceptions through technology innovations and incentives.
- Form a strong partnership between the State of NM and the energy industry to identify needed workforce training and best practices in recruitment to fulfill needs of the industry.
- The state could assist companies in the region with recruitment efforts statewide, not just the immediate area.
- More education and recruitment efforts need to be focused on adults, such as open houses, information sharing, bilingual communication and one-on-one outreach.
- Address state statutes or regulations that are preventing moving forward in specific areas such studying the role produced water can play in the long-term water supply.
- Energy efficiency is the lowest cost energy resource. There are a variety of state-funded programs as well as utility programs that need to grow and be promoted as energy demand grows.
- Require that industry pay for the clean-up of produced water to be used for other purposes.
- Evaluate state statutes and regulations related to labor training requirements that are industry challenges and make legislative or regulatory changes if appropriate. Example: the requirements of ratio of journeymen to apprenticeships.
- Incent building of affordable housing for workforce.

CONCLUSION

The Hobbs public policy forum highlighted a region undergoing significant transformation as it balances energy expansion with emissions reduction, infrastructure modernization, and workforce development. While challenges in power reliability, water scarcity, and infrastructure persist, participants emphasized a collective vision centered on innovation, collaboration, and energy diversification as the path forward for sustainable growth in Southeastern New Mexico.

Key priorities identified include enhancing power generation capacity to meet projected demand through 2035, advancing water-energy nexus solutions such as desalination, bridging critical workforce gaps through education and training initiatives, and overcoming transmission and permitting barriers. The forum underscored the importance of public-private partnerships and community engagement in achieving these ambitious goals while maintaining the region's energy leadership position.

APPENDIX A

Pre-Survey Public Policy Forum Results
Regional Reliable Energy Delivery and Emission Reductions

EXECUTIVE BRIEF

This brief summarizes stakeholder survey input on how the Permian Basin can ensure reliable, affordable, and community-focused energy service while accommodating growing industrial electricity demand—particularly from oil and gas operations, data centers, and other large loads.

KEY FINDINGS

1. Core Energy Priorities

There is strong consensus that the region's energy future must be built on a balanced portfolio that includes:

- Expanded renewable energy generation, especially solar
- Modernization of the electricity grid, including automation and smart technologies
- Upgraded and expanded transmission infrastructure
- Energy storage solutions to support reliability and flexibility

These strategies were overwhelmingly rated as "Very Important" across respondents.

2. Infrastructure Needs

Respondents ranked the following infrastructure investments as the highest regional priorities:

1. High-voltage transmission expansion and upgrades
2. Increased local renewable generation capacity
3. Community-based energy projects, including microgrids for resilience
4. Grid automation and advanced control technologies

There is broad agreement that generation and grid investments must advance together to maintain reliability.

3. Industrial Energy Solutions

Stakeholders identified several technologies that could significantly improve industrial efficiency and reduce emissions:

- On-site renewable energy and battery storage
- Advanced metering and smart grid technologies
- Industrial energy efficiency retrofits
- Microgrids and load flexibility solutions
- Carbon capture, geothermal energy, and small modular nuclear reactors

Many emphasized that technology is not the limiting factor—policy alignment and regulatory incentives are.

4. **Funding and Investment**

The most effective funding mechanisms identified were:

- Federal and state grants
- Public-private partnerships
- Utility-sponsored programs and incentives

Respondents favored outcome-based policies that reward grid optimization, load flexibility, and faster interconnection rather than capital-intensive infrastructure.

5. **Community Benefits Expectations**

Participants consistently identified the following as the top community benefits expected from energy-intensive industries:

- Grid reliability and system resilience
- Creation of local, high-quality clean energy jobs
- Workforce training, upskilling, and reskilling programs
- Investment in local infrastructure and community projects

Workforce transition, particularly for oil and gas workers, was cited as essential to community buy-in.

KEY BARRIERS

- Political polarization around clean energy
- Misperceptions that clean energy threatens oil and gas employment
- Lack of incentives for utilities and regulators to prioritize flexible, non-wires solutions
- Concerns about large new loads (e.g., data centers) straining power and water resources

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CONCLUSION

Survey responses indicate strong regional support for a practical, inclusive energy strategy that pairs industrial growth with clean energy, modern infrastructure, workforce development, and tangible community benefits. Stakeholders emphasize that the Permian Basin can lead in this transition—if policy, planning, and investment move in alignment.

SURVEY PARTICIPATION OVERVIEW

Summary of participation and representation in the pre-survey.

1. **Survey Respondents by Sector**

The survey received 25 completed responses across a diverse set of sectors, including:

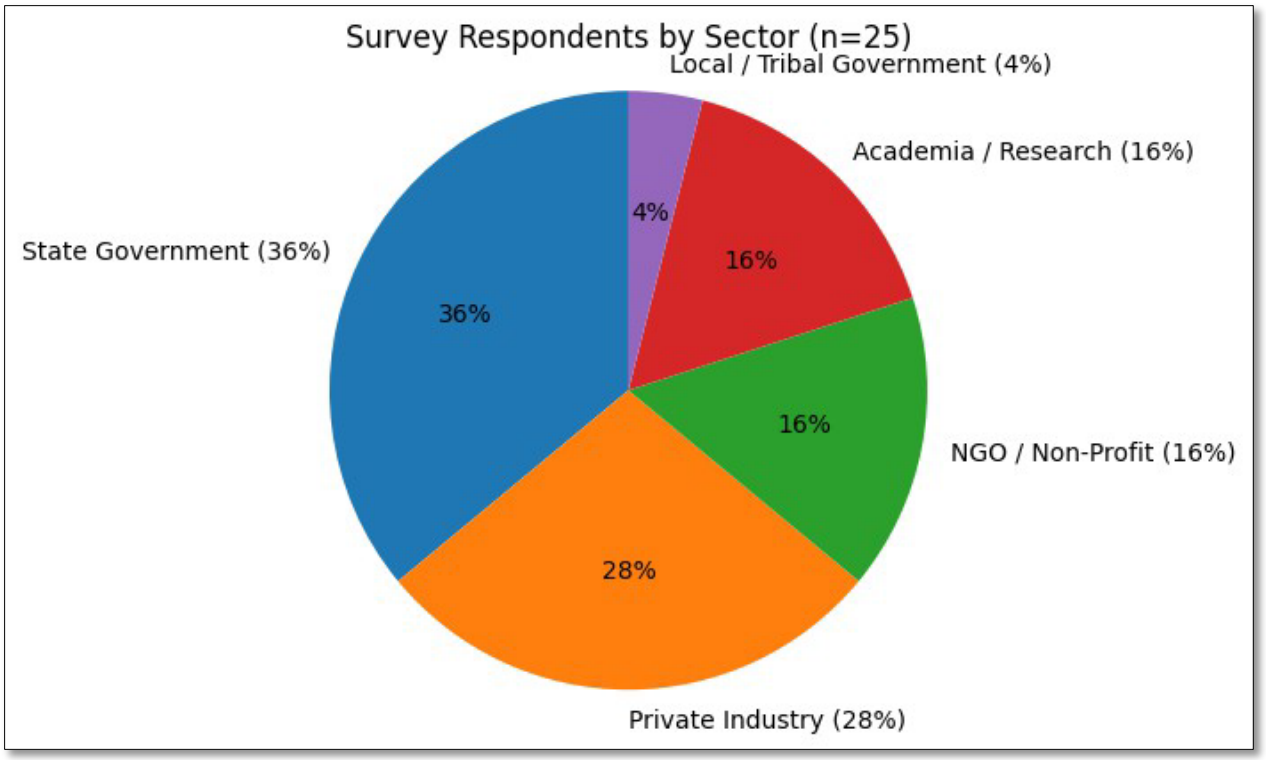
- State Government
- Private Industry
- NGO / Non-Profit
- Academia / Research
- Local and Tribal Government

This distribution demonstrates that feedback reflects perspectives from regulators, industry operators, advocacy organizations, academic institutions, and community-based entities, rather than being concentrated in a single sector.

2. Registration vs. Survey Completion

Of the 45 total registrants, 25 participants completed the survey, while 20 registered but did not submit survey responses.

This distinction is important for interpretation: quantitative findings are based on verified responses, while broader qualitative insights from the forum discussion reflect the full registrant group.



Participation Summary

- Total registrants: 45
- Survey respondents: 25
- Registered but did not respond: 20

Respondents by Sector (n = 25)

- State Government: 9 respondents (36%)
- Private Industry: 7 respondents (28%)
- NGO / Non-Profit: 4 respondents (16%)
- Academia / Research: 4 respondents (16%)
- Local / Tribal Government: 1 respondent (4%)

APPENDIX B

PROGRAMS AND RESOURCES SURFACED IN THE FORUM

1. **The New Mexico Workforce Solutions Department (NMDWS)** (https://www.dws.state.nm.us/en-us/) is engaged in a variety of workforce initiatives including the following:

    - The **NMDWS Veterans Program** helps by giving tailored support for disabled and special-emphasis veterans, including Individual Employment Plans, in-depth assessments, and career coaching. The Department also works directly with employers to create job opportunities, organize job fairs, and facilitate job search workshops and provides job search assistance such as access to tools and workshops for veterans.
    - The **BeProud** program takes a Mobile Workshop experience to schools and community centers across the state as the largest – and coolest – mobile tour supporting workforce development. Be Pro Be Proud delivers a ground-breaking set of resources to help students explore, plan, and launch careers in today's technical roles. Students discover which skilled professions spark their interests as they dig, drive, and weld using custom developed, highly-interactive Virtual Reality (VR) and Augmented Reality (AR) simulators. https://www.dws.state.nm.us/en-us/BeProBeProud
    - The **Community Benefit Fund** (CBF) invests $25 million (part of a larger $340M initiative) between 2026–2028 to train workers for clean energy jobs, modernize the electrical grid, and support industries that mitigate climate change. It focuses on economic transition, offering training for non-extractive industries and funding youth programs. https://www.dws.state.nm.us/en-us/Community-Benefit-Fund.
    - The New Mexico Department of Workforce Solutions (NMDWS) launched the **Rural P20 Initiative**, aimed at creating a seamless education-to-career pipeline from preschool through age 20. Funded by a $400,000 legislative grant, this 18-month project focuses on rural school districts to align education with regional workforce needs, particularly in high-demand fields like STEM and aerospace. https://www.dws.state.nm.us/News/Latest-News/new-mexico-launches-first-preschool-to-workforce-initiative-through-rural-education-workforce-collaborative

2. **The Permian Strategic Partnership** (PSP) is a coalition of 25 leading Permian Basin energy companies and higher education institutions who work in partnership with leaders across the region's communities to address current and future challenges to the responsible development of the vast oil and natural gas resources of the Permian Basin. PSP works to strengthen and improve the quality of life for Permian Basin residents by partnering with federal, state, and local leaders to develop and implement strategic plans that foster superior schools, safer roads, quality healthcare, and a trained workforce. https://permianpartnership.org/about/

3. **TRIO Upward Bound** are federal outreach and student services programs are designed to identify and provide services for individuals from disadvantaged backgrounds. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and individuals with disabilities to progress through the academic pipeline from middle school to postbaccalaureate programs. https://www.ed.gov/grants-and-programs/grants-higher-education/trio-home-page

4. **New Mexico Junior College** offers a variety of workforce development training, certifications, associate's degree programs**.** https://www.nmjc.edu/

5. **New Mexico Tech** is conducting a pilot project with the Navajo Nation on produced water. See more work on produced water at https://nmpwrc.nmsu.edu/

6. **The New Mexico Energy, Minerals and Natural Resources Department's** Energy Conservation and Management Division offers a variety of incentives for renewable energy, clean transportation and energy efficiency upgrades. See **https://www.emnrd.nm.gov/ecmd/tax-credit-programs/.**

7. **Utility Energy Efficiency, Electrification and EV Rebate and Incentive Programs**

   - ***Xcel/SPS Energy*** https://www.xcelenergy.com/programs_and_rebates https://ev.xcelenergy.com/ev-accelerate-at-home-nm https://ev.xcelenergy.com/optimize-your-charge-nm

   - ***PNM***
     https://www.pnm.com/rebates-and-discounts
     https://www.pnmdriveelectric.com/
     https://ev.pnm.com/

   - ***El Paso Electric Company***
     https://www.epelectric.com/residential/save-money-and-energy https://ev.epelectric.com/

   - ***Tri-State Generation and Transmission Association (rural cooperatives)***
     https://tristate.coop/programs https://tristate.coop/energy-efficiency-electric-vehicles