

BERNALILLO COUNTY

BOARD OF COUNTY COMMISSIONERS

ADMINISTRATIVE RESOLUTION NO. 2023-110

**A RESOLUTION OPPOSING NEW MEXICO GAS COMPANY'S
APPLICATION TO THE NEW MEXICO PUBLIC REGULATION COMMISSION
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO
CONSTRUCT A LIQUIFIED NATURAL GAS PLANT IN BERNALILLO COUNTY**

WHEREAS, on December 16, 2022, the New Mexico Gas Company ("NMGC") applied to the New Mexico Public Regulation Commission ("PRC"), in Case No. 22-00309-UT, for approval of a Certificate of Public Convenience and Necessity for the construction and operation of a Liquefied Natural Gas ("LNG") peak shaving plant to include natural gas liquefaction, storage and regasification components for injection into NMGC's existing distribution pipelines; and

WHEREAS, NMGC sought PRC approval of a Proposed Stipulation of Settlement filed September 1, 2023. The only signatories were NMGC and the staff of the PRC's Utility Division; and

WHEREAS, the Proposed Stipulation of Settlement was opposed by all four intervening parties in the case: the Office of the Attorney General, Western Resource Advocates, New Energy Economy, and the Coalition for Clean Affordable Energy. These parties cited an array of concerns ranging from the need to analyze the validity of NMGC's representations about the project's economic benefits, such as reduced-price volatility; to environmental and public safety issues; to the lack of community input and the lack of exploration of alternate energy sources; and

WHEREAS, On September 21, 2023 the PRC denied the Proposed Stipulation of Settlement, noting the nature and extent of the opposition to the Proposed Stipulation of Settlement and the inability of the Proposed Stipulation of Settlement to effectuate a cooperative approach reconciling all of the parties' interests; and

WHEREAS, the PRC will conduct a public hearing to determine the merits of NMGC's Application beginning December 4, 2023; and

WHEREAS, the Board of County Commissioners shares the concerns expressed by the four intervening parties, and believes the construction and operation of the proposed LNG plant and 12,000,000 gallon LNG storage tank within the borders of Bernalillo County would be detrimental to the public health and safety, prosperity, and welfare of Bernalillo County and its inhabitants; and

WHEREAS, the project's location, spanning ca. 25 acres in a Northwestern portion of Bernalillo County, is within ten miles of 51 public schools, residential neighborhoods, and a housing shelter; and

WHEREAS, According to a 2022 "State of the Air" report from the American Lung Association, the location suffers air pollution, and residents experience dangerously high levels of ozone and particulates, and those sensitive to air pollution face life-threatening risks; and

1 **WHEREAS**, the proposed LNG plant could exacerbate existing air quality issues
2 through the impacts from boil-off gas and other necessary intermittent venting; and

3 **WHEREAS**, the proposed LNG plant could also pose the risk of methane leaks and the
4 release of highly flammable emissions triggering methane-fueled explosions and fires, which
5 are difficult to control and require response from specially trained and equipped emergency
6 personnel and first responders; and

7 **WHEREAS**, the Board of County Commissioners shares the intervening parties'
8 concerns regarding the potential environmental impacts of the project upon an area of great
9 historical, cultural, and religious importance and natural beauty, including the Petroglyph
10 National Monument and the Boca Negra Canyon; and

11 **WHEREAS**, the Board of County Commissioners shares the intervening parties'
12 concerns that NMGC has overstated the potential consumer and economic benefits of the
13 LNG plant, and that the facility's final capital costs, which are unknown, and which may
14 exceed \$180,000,000, will ultimately be borne by NMGC customers, including Bernalillo
15 County residents; and

16 **WHEREAS**, the plant's purpose, of ensuring reliable service and preventing disruption
17 during extreme weather such as winter storms, may already be adequately served by
18 NMGC's Keystone Storage Facility located outside of Bernalillo County; and

19 **WHEREAS**, NMGC made substantial improvements to its gas supply, transportation and
20 system following the 2011 Winter Event which curtailed service to 28,000 customers; and

21 **WHEREAS**, the 2021 Winter Event did not lead to the same disruptions experienced in
22 2011. Instead, no customer service was curtailed and NMGC described the impact of the
23 February 2021 storm primarily as a pricing event requiring high-priced spot market
24 purchases to meet forecasted demand; and

25 **WHEREAS**, there is general uncertainty regarding the future of natural gas. The State of
26 New Mexico has adopted decarbonization approaches including a statewide reduction in
27 greenhouse gas emissions. NMGC customers may be better insulated from service
28 curtailments and price volatility by that company's adoption of cost-effective energy
29 efficiency and electrification measures than by the construction of a new LNG plant; and

30 **WHEREAS**, given the breadth and seriousness of the concerns raised, NMGC should, at
31 a minimum, conduct a cost-benefit analysis to evaluate both the financial and the non-
32 financial impacts of the LNG plant at the proposed location before proceeding further.

33
34 **NOW, THEREFORE**, be it resolved by the Bernalillo County Commission, the
35 governing body of the County of Bernalillo, that:

- 36
37 1. The Bernalillo County Commission recommends that the Public Regulation
38 Commission deny the Certificate of Convenience and Necessity for the proposed
39 Liquefied Natural Gas plant; and
40
41 2. A copy of this Resolution be provided to the Public Regulation Commission as a
42 written public comment in Case No. 22-00309-UT by submission to
43 prc.records@state.nm.us.
44
45
46

DONE this 24th day of October 2023.

BOARD OF COUNTY COMMISSIONERS

Barbara Baca

Barbara Baca, Chair

Adriann Barboa

Adriann Barboa, Vice-Chair

Steven Michael Quezada

Steven Michael Quezada, Member

Voted "No"

Walt Benson, Member

Eric C. Olivas

Eric C. Olivas, Member



APPROVED AS TO FORM:

W. Ken Martinez
W. Ken Martinez, County Attorney

ATTEST:

Linda Stover
Linda Stover, County Clerk