



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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**FOR IMMEDIATE RELEASE**

**STATE TREASURER, INVESTORS WITH MORE THAN \$102 BILLION IN ASSETS CALL ON NEW MEXICO REGULATORS TO STRENGTHEN DRAFT OZONE AND METHANE REGULATIONS**

**SANTA FE, NM, Tuesday, November 10th, 2020** — Investors with more than \$102 billion in assets under management called on New Mexico Gov. Michelle Lujan Grisham and state environmental regulators to strengthen draft ozone precursor and methane regulations, citing public health and environmental risks.

In a letter sent today, more than 40 investors praised Gov. Lujan Grisham's commitment to tackle the climate crisis by cutting methane pollution, and called on the state's Energy Minerals and Natural Resources Department (EMNRD) and New Mexico Environment Department (NMED) to strengthen their draft regulations, including closing loopholes that would allow 95% of oil and gas wells in the state to go unchecked.

"We appreciate Gov. Lujan Grisham's leadership and her agencies' hard work," said New Mexico State Treasurer Tim Eichenberg. "The finalization of regulations without loopholes will help New Mexico's oil and gas sector maintain its viability while addressing the economy-wide risks of climate change."

Investors have made engagement with oil and gas majors on methane emissions a key priority in recent years, working with companies to set reduction targets and align their operational practices accordingly.

"While some companies have demonstrated leadership on managing methane emissions, industry performance is not uniform," said Christina Herman, program director for climate change and environmental justice at ICCR. "Given the urgency of the climate crisis, investors believe the playing field should be leveled and quickly. The only way to do that is with effective regulations."

Investors say without a level playing field, the poorest performers will shape the public narrative on natural gas, overshadowing proactive measures of industry leaders. The methane issue is already negatively impacting the marketability of New Mexico natural gas, as highlighted by a French utility's [recent decision](#) to cancel a \$7 billion contract to import natural gas from the Permian Basin. Investors believe that, as the second-largest producer of oil and ninth-largest of natural gas, New Mexico plays a key role in setting leading standards for other states to follow.

“It is imperative that New Mexico get these rules right,” said Johann Klaassen, executive vice president, and chief investment officer at Horizons Sustainable Financial Services, a New Mexico based investment firm. “We must recognize both the significant financial risks posed by climate change as well as the enormous economic opportunities for New Mexico provided by low-carbon and climate-resilient technologies, markets, and business models.”

A recent [EDF analysis](#) found that oil and gas operations in New Mexico emit at least one million metric tons of climate-warming methane a year and hundreds of thousands of tons of smog-producing volatile organic compounds (VOCs), which negatively impact public health. Investors are calling on state regulators to tackle these emissions by strengthening ozone and methane regulations in three ways:

- NMED should remove exemptions for low producing or stripper wells and for sites below a 15 ton per year pollution threshold, as these exemptions collectively mean that 95% of wells in New Mexico go unchecked from leak detection and repair.
- EMNRD should set its goal based on locality such as county or basin.
- EMNRD should improve enforcement provisions and strengthen its requirements to address pollution from flaring.

[Another analysis](#) found that taking steps to mitigate methane leakage is economic and eminently achievable. For every dollar invested by New Mexico’s oil and gas industry in emissions reductions, the proposed rules without any exemptions would offer the state a return on investment of more than 30%. This includes at least \$126 million in public health benefits, \$1.2 billion in avoided air quality nonattainment costs, and \$730 million of captured methane gas between 2020 and 2030 that would generate \$99 million in royalties to the state.

“Strong methane standards in New Mexico will be critical to support global competitiveness in a world with increasingly stringent climate policies and corporate emissions-reduction goals,” said Alli Gold Roberts, director of state policy at Ceres, a sustainability nonprofit organization working with investors and companies in New Mexico, who helped organized today’s letter. “We appreciate the improvements already made to the draft rules, and call on regulators to close their proposed loopholes to further ensure the health and safety of New Mexicans are protected.”

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### **About Ceres**

Ceres is a sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Through powerful networks and advocacy, Ceres tackles the world’s biggest sustainability challenges, including climate change, water scarcity and pollution, and inequitable workplaces. For more information, visit: [www.ceres.org](http://www.ceres.org) and follow @CeresNews.

### **About the Interfaith Center on Corporate Responsibility (ICCR)**

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially

responsible investors with combined assets of over \$500 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. For more information, visit: [www.iccr.org](http://www.iccr.org).