



ENVIRONMENT REPORTER



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New Mexico

Governor Removes All Eight Members Of Board That Approved Carbon Regulations

PHOENIX—All eight members of the New Mexico board that approved state cap-and-trade regulations in 2010 for greenhouse gas emitters were dismissed Jan. 4 by new Gov. Susana Martinez (R) for what she called their “anti-business” stance.

The action against the state Environmental Improvement Board casts uncertainty over the future of the regulations in New Mexico, which were backed by former Gov. and U.S. Energy Secretary Bill Richardson (D). Richardson, who appointed the members, stepped down after two terms.

Mariel Nanasi, executive director for New Energy Economy (NEE), which put forward the latest approved proposal, said that while Martinez’s action is her prerogative, “We believe still that the carbon regulation is based on strong, credible, and objective evidence.”

Nanasi told BNA that the Environmental Improvement Board’s statement of reasons filed in support of its action demonstrates the “baseless, overblown economic claims” that were made by opponents of a cap-and-trade program. She said the rule to address emissions and stimulate the economy makes it “a job creator and good for business.”

Action Follows Governor’s Executive Order. Martinez, a Republican who took office Jan. 1, acted against the board after issuing an executive order. In the order, she halted pending regulations by executive branch agencies under her jurisdiction to determine whether they hurt businesses in New Mexico.

She also directed agencies to review rules and regulations that are in place, and to determine by the end of January which ones should be scrapped to improve economic development and job growth.

Publication of the new rules in the state’s register was halted by the state Environment Department.

Martinez spokesman Scott Darnell issued a statement Jan. 4 from the governor, in which she criticized the board for moving forward with the cap-and-trade program after New Mexico’s Legislature rejected the idea.

The statement read: “New Mexico has recently suffered from an anti-business environment exacerbated by policies which discourage economic development and result in businesses setting up shop across state lines. Unfortunately, the majority of EIB members have made it clear that they are more interested in advancing political ideology than implementing common-sense policies that balance economic growth with responsible stewardship in New Mexico.”

She said members who wish to reapply for their board seats will have their qualifications considered case by case.

A text of the dismissal letter sent to the board members was released by the governor’s office. The terse, three-sentence letter thanked members for their service to the state and informed them of their removal, effective immediately.

Ousted Chairman Says Rule Would Help Growth. Gay Dillingham, chairwoman of the ousted board, told BNA via e-mail Jan. 5 that the majority of board members believed passing the rules “would be protecting the New Mexico environment and our economic development, and if given the chance these rules will likely stimulate more economic development.”

The Environmental Improvement Board adopted two measures after taking more than 200 hours of testimony from opponents and proponents of a cap-and-trade system. Dillingham told BNA, “As a citizen, I would expect the same dedication be given to reviewing all the evidence before anyone commits to overturning or supporting it.”

Dillingham added, “History has shown us there is a dynamic relationship between regulatory obligation and private-sector innovation, and we need enough time to give this process a chance to work for New Mexico.”

The board Dec. 6 approved standards for reducing greenhouse gas emissions primarily from power plants and segments of the oil and gas industry. The board voted 4-1 to require the state's largest polluters to reduce carbon dioxide emissions by 3 percent per year from 2010 levels, starting in 2013. Board member Le-

land Gould cast the lone dissenting vote (41 ER 2768, 12/10/10).

Earlier, on Nov. 2, it adopted a cap-and-trade program submitted by the state Environment Department.

By WILLIAM H. CARLILE