



CONSUMER**ENERGY**ALLIANCE

FUELING NEW MEXICO'S FUTURE

The Role of Natural Gas in Reliability, Affordability, and Growth



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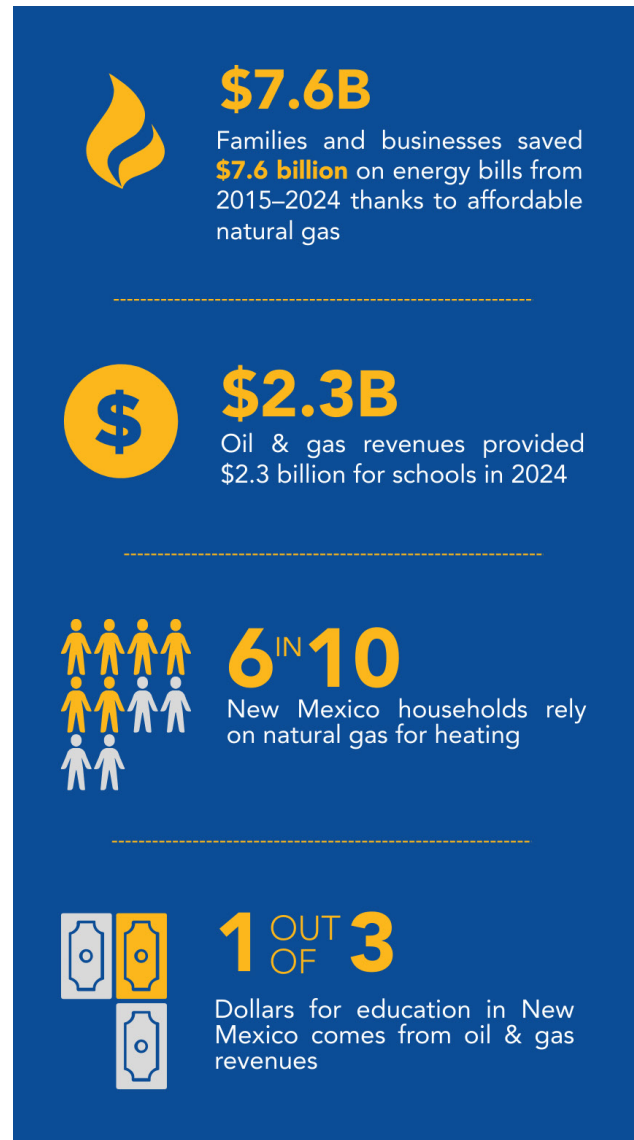
ALWAYS ON: THE BACKBONE OF NEW MEXICO'S ECONOMY

In 2024, New Mexico produced 3.6 trillion cubic feet of natural gas, making it the nation's third-largest natural gas producer which accounts for 8% of all U.S. natural gas production. That far exceeds the state's consumption needs, allowing New Mexico to help out its neighbors in Arizona and the West meet their needs. **Nearly 6 in 10 New Mexico households rely on natural gas** for heating, underscoring its direct and essential role in daily life. This wealth of resources not only supports homes but also drives statewide opportunities, from creating family-sustaining jobs to community investment through its substantial contribution to the state's general fund.

With its sweeping desert landscapes, historic pueblos, and growing metropolitan centers, New Mexico thrives on a balance of heritage and innovation. Natural gas sits at the heart of that balance. It warms households during cold desert nights, powers local businesses, and generates revenues that support every community across the state.

However, changing politics in the state are putting these tangible and real benefits, which have been carefully managed by the state's balanced approach, at risk. There are calls for policies that would restrict reliable, affordable energy sources like natural gas, by artificially forcing their replacement with energy sources that cannot deliver always-on power. Everywhere those policies have been implemented, the results have been the same: supply shortfalls, higher energy bills and less reliable access to energy – all of which hurts the local economy. Without a reliable energy backbone that includes natural gas, New Mexico's economic story would look very


different: **fewer classrooms** funded, **fewer roads** maintained, and **fewer opportunities** for working families.



FROM CLASSROOMS TO PAYCHECKS

Natural gas production in New Mexico has reached historic highs, with a significant portion of the state's reserves located in the prolific San Juan and Permian Basins. In fact, **New Mexico produces 10 times more natural gas than it consumes**, exporting its surplus to other states.

This helps secure New Mexico's economy while positioning it as an important supplier to the nation's electricity grid. **The oil and gas sector contributed \$13 billion to the state in fiscal year 2024**, a year in which natural gas accounted for about **44%** of total oil and gas production on a barrels of oil equivalent basis, according to the Energy Information Administration.



Natural Gas Fuels Education

Last Year, It Provided \$2.3 BILLION For Schools

That's 1 In Every 3 Dollars For New Mexico's Classrooms

All told, oil and gas contributed **34%** of the state's recurring General Fund revenue in 2024 and that number is forecast to increase to **37%** this year, enabling continued investments in education, infrastructure, and public safety.

The state's overall prosperity, government and social services are closely linked to the health of the state's natural gas industry. Natural gas and oil's contribution to New Mexico's state budget **surged** more than 12% year-over-year in fiscal 2024, **supporting schools with \$2.3 billion in total education funding in one year**, and providing critical funds for roads, public services, and long-term reserves. Absent these revenues, spending for education, law enforcement, healthcare, & general infrastructure would be drastically reduced. Each additional 10 billion cubic feet of gas produced in New Mexico **generates roughly \$4.8 million in taxes and royalties**, making natural gas a cornerstone of sustainable state finances. In rural counties, funds from natural gas activities have helped rebuild schools, expand broadband access, and sustain emergency services. As policymakers look to diversify economic drivers, natural gas remains a sector capable of consistently generating stable and substantial revenues on a recurring basis. Additionally, New Mexico

has established several state trust funds that invest excess oil and gas revenue over a longer time period, to help weather volatile market cycles and stabilize New Mexico's budget and future planning.

The numbers tell a powerful story, but the reality is even more striking. Every child in New Mexico's classrooms benefits from natural gas, every mile of repaired highway owes something to its revenues, and every rural clinic that opens its doors does so with energy dollars supporting its budget. Without this cornerstone and the long-term funding it has enabled, the state would be forced into critical trade-offs: fewer teachers, understaffed emergency services, and delayed infrastructure improvements.

OPPORTUNITY THAT LASTS

Over **100,000** New Mexicans work in the oil and natural gas industry, which supports diverse sectors, including construction and hospitality, and provides jobs for approximately one in eight residents statewide. Oil and gas workers represent **8.5%** of New Mexico's workforce and generate more than \$16 billion in state GDP. Latinos make up 46% of New Mexico's oil and gas workforce. For many families, careers in the natural gas sector deliver stable employment, upward mobility, and skilled labor opportunities that pay well above the state average. These jobs are pathways to the middle class.

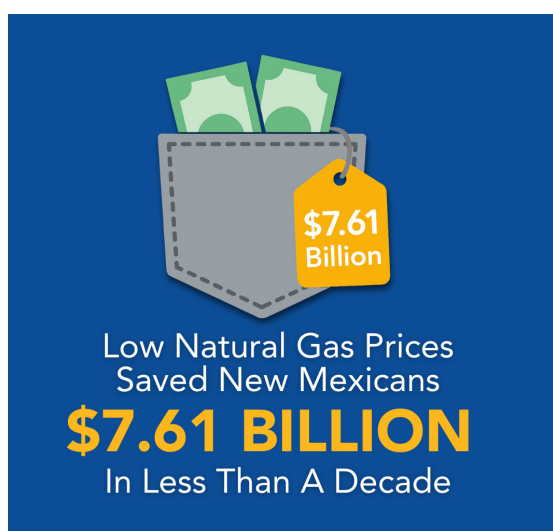
From welders and truck drivers in Carlsbad to engineers in Farmington, the natural gas industry provides family-supporting wages and long-term security. Small businesses also thrive in energy communities, as restaurants, hotels, and service providers see steady demand tied to the industry's growth. The ripple effects extend across the state, ensuring that opportunity is not limited to a few but shared across the Land of Enchantment.

Oil And Gas Workers Represent 8.5% Of New Mexico's Workforce & Generate More Than \$16 Billion In State GDP

ENERGY THAT FAMILIES CAN AFFORD

Low natural gas prices have saved New Mexico households and businesses approximately **\$7.61 billion** between 2015 and 2024, thanks to the shale revolution and greater, more affordable access to gas. This has lowered overall energy costs, increased disposable income, and enhanced economic resilience.

New Mexico was recently [ranked](#) as having the lowest total energy costs of all 50 states, giving households and businesses a significant affordability advantage compared to the rest of the nation. **The average monthly electricity bill in the state is just \$103.36 – more than 30% cheaper than the national average.** Natural gas costs average \$75.72 per month, 26% less than the national average.



For a family of four, the difference in annual heating costs can mean the ability to pay for groceries or school supplies, especially during harsh winters when temperatures dip sharply at night. Natural gas is nearly twice as affordable as electricity for home heating, helping families avoid energy poverty, especially in rural and low-income regions.

Small businesses, restaurants, and farms similarly rely on natural gas for efficient heating, cooking, and operational stability – including fertilizer for farming. Affordable natural gas plays a crucial yet often overlooked role in reducing household expenses, supporting local commerce, and

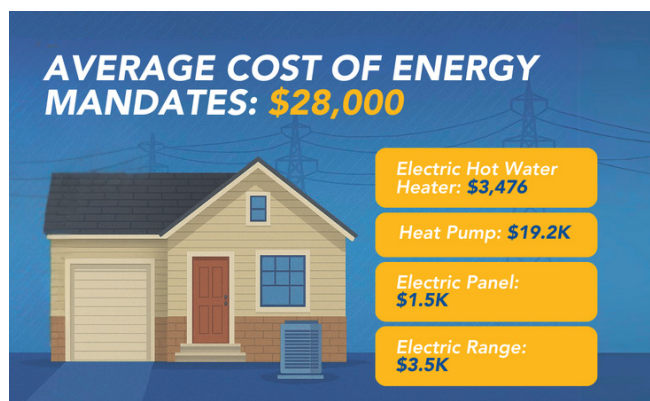
enhancing the overall quality of life throughout New Mexico.

Families in the northern mountains or rural southern deserts, where cold nights and hot summers make energy costs unpredictable, know firsthand the relief natural gas provides – whether it is used directly for heat, or to provide the electricity to run air conditioning. Reliable, affordable gas also strengthens small businesses, giving owners the breathing room to hire more staff, expand services, and keep prices low for customers.

THE HIGH PRICE OF ENERGY MANDATES

However, there are some in New Mexico who have discussed taking natural gas out of the equation through a municipal or state-level ban, although none has advanced beyond the discussion stage. Nonetheless, there is a major cost to these policies which have been pushed forward in other states and municipalities by activists.

Using the 87121 ZIP code in Albuquerque as a baseline, retrofitting a home to all-electric appliances because of an **electrification mandate could cost up to \$28,000.**



New Mexico ranks third in the nation for its high poverty [rate](#) of 18.1% and its household median income ranks 43 out of 50 at [\\$62,125](#). So a mandated cost imposition of nearly half the median income would be devastating to New Mexico's families – further demonstrating why natural gas is an essential ingredient for affordable, reliable energy. And that is the cost for the median household – not those living on fixed incomes or in poverty.

KEEPING THE LIGHTS ON FOR EVERY HOUSEHOLD

Energy affordability is not simply a convenience for low-income families in New Mexico; it is a necessity to make ends meet. Low-income families in New Mexico face some of the highest energy burdens in the nation, making access to affordable and reliable energy an urgent need. **The state is home to [23](#) federally recognized Tribes and Pueblos, including the Navajo Nation, where many households still lack access to electricity altogether.**

Low-income households, renters, and underserved communities are more likely to live in older, less energy-efficient housing and pay a higher portion of their household income toward energy bills. **On average, one in five New Mexicans [lives](#) in poverty**, and households in the lowest-income areas spend close to 9% of their income on energy bills, compared to under 2% of the wealthiest neighborhoods. For Native American families, the energy burden is even higher, averaging more than 10% of household income.

Needlessly high energy bills can often take a significant share of already-limited incomes. A 2024 [survey](#) by LendingTree found that **more than a third of Americans had cut back or skipped on necessities like food or medicine in order to be able to pay a utility bill in the previous 12 months.**



Natural gas, as abundant as it is in New

Mexico, is an essential part of the solution for the state and its neighbors. Unlike intermittent resources that depend on the weather like wind and solar, natural gas provides dependable, around-the-clock power that keeps homes warm in the winter and cool in the summer. Crucially, it makes it easier to match supply to demand, which keeps prices low. More natural gas will give more families, especially those in rural, Tribal, and low-income communities, access affordable, reliable, and cleaner energy. That in turn will help reduce inequalities, support public health and safety, and allow all New Mexicans to share in the state's economic growth.

STRONGER TRIBES, STRONGER COMMUNITIES

Tribal communities and pueblos directly benefit from natural gas. The Native American Energy Efficiency [Program](#) provides free energy-saving services to 11 tribal communities, annually saving 2.8 million gallons of water and enough energy to heat 3,900 homes for a month. On Navajo and Jicarilla Apache [lands](#), responsible gas development has funded scholarships, healthcare clinics, local infrastructure projects, and community empowerment programs, ensuring that development yields dividends for those who live closest to the resource.

The Navajo and Jicarilla Apache are significant mineral rights holders in productive basins, with investments that support local economies and public services. In some areas, tribal leadership [collaborates](#) with industry to set higher environmental and cultural protection standards, blending tradition with economic advancement. For low-income & energy-burdened households, **access to affordable natural gas is crucial in combating inequality and delivering reliable, cost-effective energy.**

CLEANER ENERGY

New Mexico's natural gas sector adheres to some of the most stringent methane reduction rules in the country and pipelines have a safety rate for delivery exceeding 99.9%. Additionally, operators practice environmentally responsible production by investing in water recycling and carbon capture technologies, which minimize emissions and help conserve water (using less than [1%](#) of the state's fresh water). Nationwide, the use of natural gas in place of higher-emitting fuels is associated with sharp declines in Environmental Protection Agency criteria pollutants, such as NOx and SO2, and has resulted in a 14% reduction in U.S. energy-related CO2 emissions since [2005](#). **Natural gas offers efficient and cleaner energy, supporting the state's cleaner energy targets & grid reliability.**



CONCLUSION

Natural gas is intertwined with New Mexico's prosperity, powering homes, supporting jobs, funding state and tribal services, and helping the state meet cleaner energy targets. Continued responsible growth in natural gas infrastructure is central to economic progress, household affordability, and equitable opportunities for all residents. Ultimately, natural gas is more than a resource for New Mexico; it is a major part of the state's foundation for growth, stability, and opportunity. It provides dollars for classrooms and public services, keeps energy costs affordable, strengthens tribal and rural communities, and positions New Mexico as a national leader in the responsible use of natural gas for the betterment of its citizens and economy. Limiting or restricting its use would not only jeopardize these benefits but risk unraveling the economic fabric that sustains millions of residents.

For New Mexicans, the choice is clear: natural gas is not just part of the economy, it is what helps pave the path forward.