

***“Economic Development”:
PRIVATE EQUITY IS COMING FOR NEW MEXICO
Does it matter?***

Maribel Nanasi
NewEnergyEconomy.org



new energy economy

Addressing the Climate Challenge
With Bold Solutions

WQCC Rules Require Fair and Equitable Hearings

- **20.1.6.6 NMAC:** Objective to “assure that commission hearings are conducted in a fair and equitable manner.”
- **20.1.6.100 NMAC:** Commission and hearing officer must conduct a “fair and equitable proceeding.”
- **20.1.6.102 NMAC:** “No commission member shall participate in any action in which his or her impartiality or fairness may reasonably be questioned, and the member shall recuse himself or herself ... by announcing this recusal on the record.”

In May the Commission concluded an 18-month rulemaking process and determined that toxic and radioactive oil and gas waste - known as “produced water” - cannot safely be “treated” and discharged or reused outside the oilfield.

The Commission concluded that “there is insufficient scientific support for the proposition that any discharges of treated or untreated produced water would be protective of ground or surface water.” *WQCC 23-84, Statement of Reasons*, at 5, ¶21.

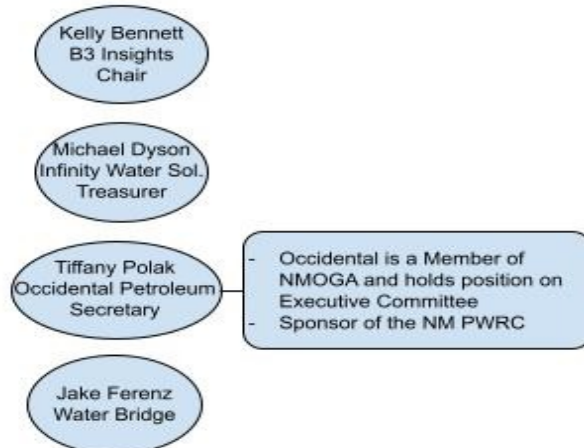
Less than 30 days later, the WATR Alliance – an oil and gas proxy – petitions to undo those science-based protections and spread O&G waste into thirteen counties.

Guv & Kenney meet with WATR

WATR MANAGEMENT



WATR BOARD OF DIRECTORS



WQCC 23-84 (R) PARTICIPANTS

NMOGA

NM
Produced
Water
Research
Consortium

Expert or
Public
Participant

- Chevron is a Member of NMOGA
- Sponsor of NM PWRC

- Former Chair of the NMOGA Board of Directors

- Gave expert written and verbal testimony at hearing for NMOGA

- ConocoPhillips is a Member of NMOGA
- Sponsor of NM PWRC

- Provided public comment at hearing.

Debbie Hughes
NM Assoc. Of
Water Districts

Dustin Brownlow
Mesa Advisors

Fred Verner
Chevron

Greg Mabee
Hydrosource
Logistics

Jason Sandel
Basin Disposal &
Recycling

Jeff Braune
Bechtel

John D'Antonio
American West
Water Advisers

Luiz Baez
ConocoPhillips

Aaditya Raman
Veolia

Mayor Aldridge
City of Jal

From: Buerkle, Caroline, GOV

To: Kenney, James, ENV; Witte, Jeff; Anderson, Elizabeth, OSE; DeBlassie, Gina, DOH; Sloane, Michael B., DGF; Kenderdine, Melanie, EMNRD

Cc: Black, Rob, EDD; Rodriguez, Stephanie, HED; Schlegel, Daniel, GOV; Agajanian, Holly, GOV; Roose, Rebecca, GOV

Subject: **Date:** RE: Produced Water Reuse Petition Hearing Tomorrow

Monday, July 7, 2025 8:25:52 AM

Thank you, Secretary. As per our huddle discussion, we need everyone's commitment to get this over the finished line.

Caroline Buerkle

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From: Kenney, James, ENV <James.Kenney@env.nm.gov>

Sent: Monday, July 7, 2025 8:01 AM

To: Witte, Jeff <jwitte@nmda.nmsu.edu>; Kenney, James, ENV <James.Kenney@env.nm.gov>; Anderson, Elizabeth, OSE <elizabeth.anderson@ose.nm.gov>; DeBlassie, Gina, DOH <Gina.DeBlassie@doh.nm.gov>; Sloane, Michael B., DGF <michael.sloane@dgf.nm.gov>; Kenderdine, Melanie, EMNRD <Melanie.Kenderdine@emnrd.nm.gov>; Cc: Buerkle, Caroline, GOV <Caroline.Buerkle@exec.nm.gov>; Black, Rob, EDD <rob.black@edd.nm.gov>; Rodriguez, Stephanie, HED <Stephanie.Rodriguez@hed.nm.gov>;

Schlegel, Daniel, GOV <Daniel.Schlegel@exec.nm.gov>; Agajanian, Holly, GOV <Holly.Agajanian@exec.nm.gov>; Roose, Rebecca, GOV <rebecca.roose@exec.nm.gov>

Subject: Produced Water Reuse Petition Hearing Tomorrow

Importance: High

Good morning –

You (or your designee) or someone who works for you serve on the Water Quality Control Commission (WQCC). As discussed in the Climate, Energy and Natural Resources Huddle, the administration is supportive of the produced water reuse petition which the WQCC will administratively take up tomorrow. The Commissioners will vote to accept or decline the petition and assign a hearing officer. Following the petition acceptance, a hearing officer will be assigned. Currently, NMED has one hearing officer, Felicia Orth. Once the hearing officer is assigned, that person will reach out to WQCC members about scheduling the in-person hearing. The preferred location for the hearing is Lea or Eddy County for two weeks in late October or early November. Per the GO, the statutorily named person to the WQCC will need to participate vs your designee. Please discuss this petition your designee or those who work for you. Any concerns about the petition can be addressed during the fall hearing. Please reach out to me if your staff have concerns about the petition or if you are asked to meet with industry or NGOs about it. The agenda for the WQCC hearing is attached for your reference. There is a public comment portion of the agenda tomorrow where I would expect pro/con members of the public to speak. In addition, state legislators are already weighing in support of the petition and holding the hearing in Jal.

Thank you,

Secretary Kenney (he/him)

New Mexico Environment Department

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Produced water for Data Centers
Customer “Benefits” alleged in this Transaction
Bernhard Capital Partners (BCP) proposed
acquisition of New Mexico Gas Company

- A \$15 million rate credit over 12 months after closing - a sum that amounts to a whopping \$2.27 per month per customer for one year.
- A rate freeze until the end of 2027, but offset by a “regulatory asset” (an accounting scheme that allows BCP to make customers pay in the future “approximately \$56 million” despite the *alleged* rate “freeze”) for claimed under-recoveries negating any benefit from the freeze;
- A commitment to hold NMGC for at least 10 years;
- Shareholder funded “economic development” of \$10 million over 7 years;
- An agreement to maintain NMGC’s current level of employees for 36 months.
- **“TOTAL ENTERPRISE VALUE”: \$1.25 BILLION.**

PUBLIC BEWARE

TOTAL GAS UTILITY EXPERIENCE – 3 months!

Acquisition Premium Will Guarantee Skyrocketing Rate Increases.

- **No net benefit:** The paltry "customer benefits" of **\$2.27 per month** every month for one year is NOT worth the risk of this company that has virtually NO gas utility experience. After contributing \$200,000 to the political campaigns of the Commissioners, they approved a deal to allow BCP to close on the Entergy gas deal. So BCP's gas utility experience began in July 2025. And people in Louisiana are complaining about Entergy's "new" billing service which they say isn't working. Operational inexperience raises risks to service reliability, safety, and customer service.
- **Skyrocketing rate increases:** BCP has overpaid for NMGC by about \$200M and it will seek to get that money back from ratepayers - that means guaranteed rate increases, on top of the frequent "normal" rate increases.

- **Poor Performance History:** The only other utility that BCP has run is a 20,000 person water infrastructure utility and the Dept of Environmental Quality in Louisiana cited them for failing to maintain and operate their facility - regulators found feces in their water. This is completely unacceptable.
- **Reneging on Climate Goals:** BCP via its ownership of Entergy went back on its promise to meet climate goals - instead making secret deals with Meta for a massive data center and adding 3 new gas plants. While Meta is paying for the gas plants the cost of transmission upgrades, \$550M!, was spread out over the entire customer base. This isn't economic development - this is making poor people pay for Meta's enormous AI expansion. This isn't fair economically and is BAD for the climate.
- The "private" in "private equity" is for real! We have already seen the lack of transparency by BCP - they won't even divulge their history as business people - and this is when they want to gain approval from the PRC. Imagine what they are going to be like if they are allowed to buy NMGC?!

Utilities Shifting Data Center Costs

Socializing Data Center Energy Costs through Side Deals

- Entergy Louisiana (Bernhard Capital Partners now owns Entergy, currently trying to buy our NMGC) is including \$3 billion of gas powered generation and transmission – built for a Meta data center – how much will end up in rate base.
- LA PSC recently approved a settlement that allows construction to proceed for a massive (70 football fields) data center that includes 3 new gas plants generating 2,262 MW of electricity, solar power installation with a 1500 MW capacity and a substation – increasing Entergy's capacity by 20% (a fifth of Louisiana's entire energy needs); specific terms of the commercial contract remain secret due to a non-disclosure agreement. Entergy claims that in the future it can change the terms of the contract with Meta at any time without Commission approval. Rushed process was approved.
- The contract between Meta and Entergy is only for 15 years (half the life span of a gas plant); all grid users are expected to help pay for the \$550 million transmission line serving Meta's facility.

Data Centers:

Massive Electricity & Water Consumption

Data centers consume vast amounts of energy to power their servers and water to cool them, a practice that strains local water supplies and raises ethical concerns, especially in arid NM. AI and increased cloud computing demands exacerbate this issue, leading to larger, hotter facilities new energy infrastructure, including gas-fired power plants, nonstop noise, pollution, and **rate shock!**



Data Centers and the Water Crisis

<https://www.sehn.org/sehn/2025/8/14/data-centers-and-the-water-crisis>

OUTSIZED RISK FOR NEW MEXICO

- Costs skyrocket for consumers;
- Exacerbates inequities between super wealthy whose wealth keeps growing and the bottom 90% whose poverty stagnates;
- Amplifies utility political power, infringement on democracy;
- Disrupts needed electrification; exacerbates climate crisis;
- Concentrated power in the hands of secretive unaccountable actors.

Land is cheap in New Mexico.

“Economic Development” are the scary buzz words of the day.

Reuse of treated produced water for data centers.

Private equity is like a giant vacuum cleaner sucking up all our solar, wind and gas resources, our water, and bulldozing our land at the expense of our grandchildren's future.

WE DESERVE BETTER!