

Co-Location In The Mountain West

Executive Summary

Utah and New Mexico stand at pivotal moments in their energy futures. Both states face legacy dependence on fossil fuels and the challenges of preparing workers for a clean energy transition. Federal incentives, including those given through the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL), have accelerated renewable projects nationwide. However, shifting federal priorities now threaten to reduce or eliminate many of these supports. States can no longer rely on federal programs as the sole driver of the transition.

Utah's reliance on coal and its decentralized workforce system have created structural barriers to clean energy readiness. The State Institutional Trust Lands Administration (SITLA) remains dominated by long-term oil and gas leases, limiting the potential for renewable co-location. New Mexico offers a contrasting example, where centralized workforce governance and a more adaptable land trust system have facilitated progress. Yet, New Mexico still faces challenges, including training bottlenecks in geothermal energy, access to certification in tribal communities, and ensuring equitable participation in rural regions.

This memo argues that Utah and New Mexico must strengthen coordination between workforce development and land trust policies to navigate the coming era of reduced federal support. For Utah, centralizing workforce governance, realigning incentives, and reforming SITLA practices are essential. For New Mexico, sustaining progress will require closing training and equity gaps while preserving its centralized approach. Both states risk leaving workers behind if reforms are not implemented.

The Challenge in Utah

Workforce Shortages and Misalignments

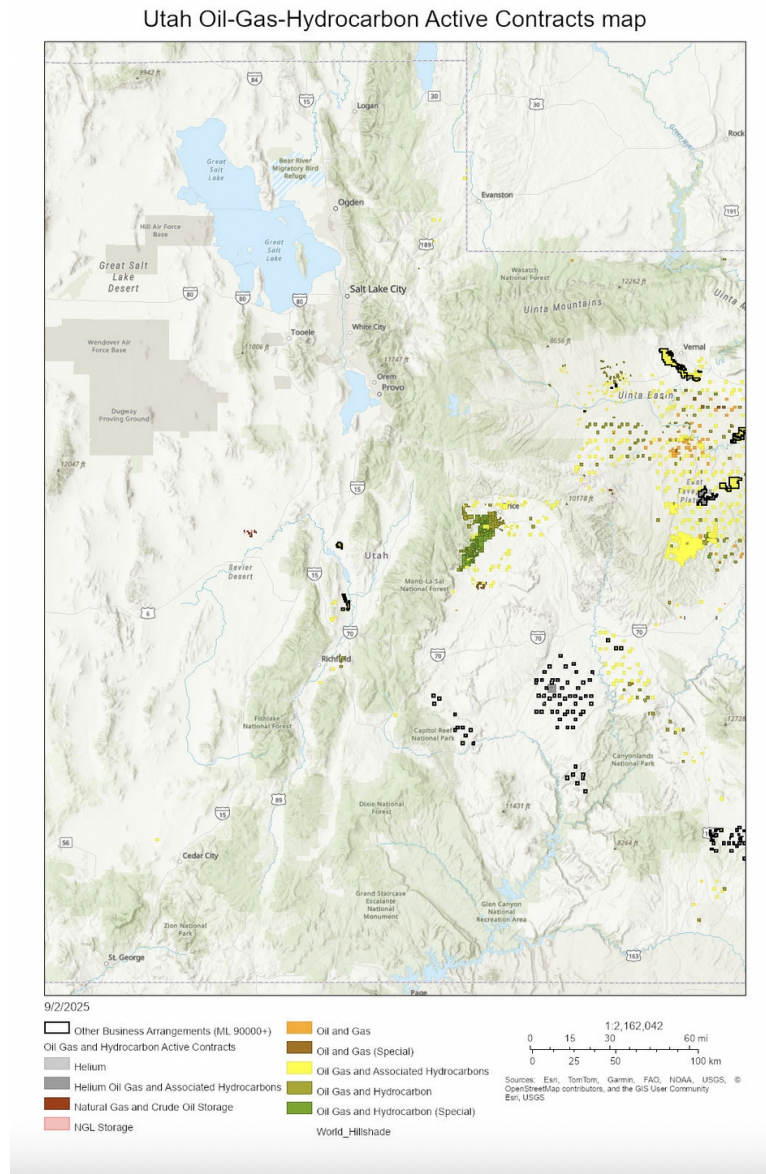
Persistent workforce gaps constrain Utah's transition. A surplus of coal workers lacks clear pathways into renewable sectors. In a recent meeting with Utah's Department of Energy, stakeholders described how training opportunities exist in pockets, at Snow College, Utah Valley University, and through Utah Talent Ready, but operate independently without statewide coordination. Workforce development remains fragmented and project specific rather than systemic.

Policy incentives remain misaligned. While solar tax credits exist, the majority of tax benefits continue to flow to fossil fuels, and legislative hostility toward solar has resulted in the planned sunset of solar incentives despite declining costs. At the same time, nuclear energy enjoys strong bipartisan support but remains subject to federal permitting and regulation, limiting state influence. This creates a paradox: Utah policies support nuclear energy while neglecting the immediate workforce needs in solar, wind, and geothermal energy.

Land Trust Barriers

Utah's State Institutional Trust Lands Administration (SITLA) illustrates how deeply

embedded fossil fuel priorities remain. The SITLA dataset shows active oil and gas leases extending back nearly a century, with individual contracts covering thousands of acres, such as an 8,360 acre lease held by Kerr-McGee. These long term leases lock in fossil development, leaving little space for renewable co location. Unless SITLA reforms its leasing approach, Utah will struggle to transition trust lands to renewable projects.



Utah's State Institutional Trust Lands Administration (SITLA) manages a large and geographically dispersed portfolio of oil, gas, and hydrocarbon contracts. As illustrated in the attached map, leasing activity is heavily concentrated in the Uinta Basin in the northeast, with additional clusters extending south toward Price and scattered holdings near central and southern Utah. The portfolio includes standard oil and gas leases, special use contracts, helium, and natural gas storage agreements, underscoring the diversity of fossil energy activity on state trust lands (Utah SITLA dataset). This widespread leasing reflects the deep institutional reliance on

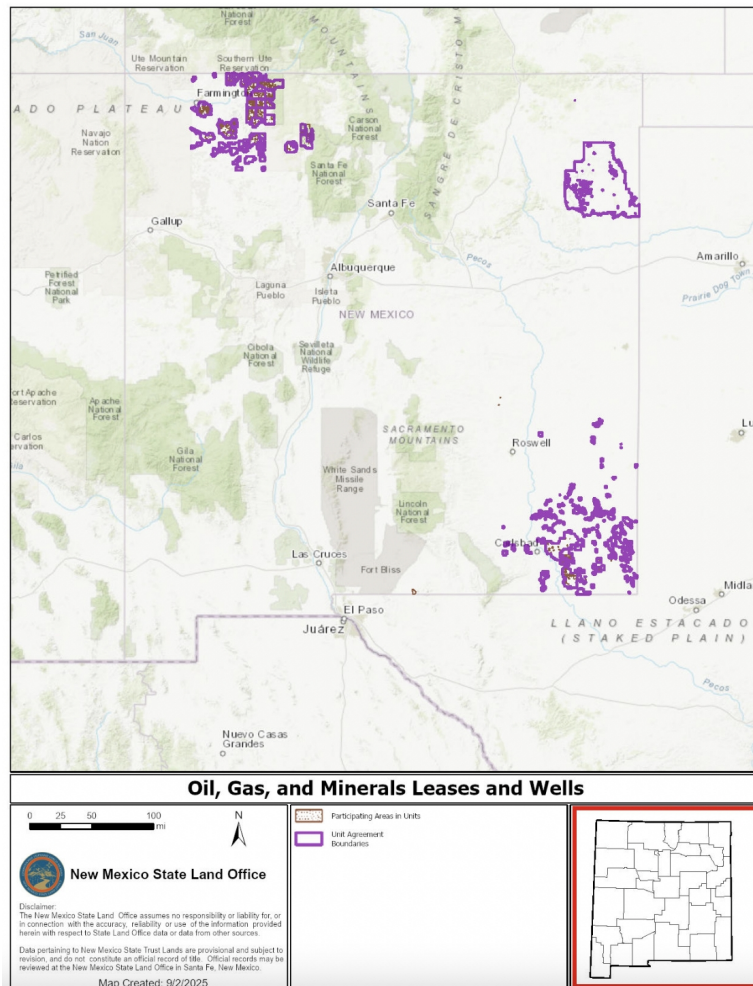
fossil fuel revenues. SITLA has not yet developed policies to designate land for renewable use, and without reforms such as dual use leasing or setting aside parcels for clean energy its current structure will continue to reinforce fossil fuel dependence and limit opportunities for workforce aligned renewable projects.

Lessons from New Mexico

New Mexico demonstrates what is possible when state governance is aligned with workforce and land policy. Its centralized workforce boards, regional development agencies, and partnerships with unions and universities have created a coherent pipeline from training to employment. Local hiring requirements ensure renewable projects directly benefit communities. Apprenticeship programs in wind and solar have minimized bottlenecks, and integration with tribal governments has advanced inclusive planning.

In a meeting with the National Renewable Energy Laboratory (NREL), analysts highlighted remaining challenges. Gaps in apprenticeship and technical training, prevent drilling workers from fully transitioning to renewable projects. Certification access remains uneven in tribal areas, where testing and licensing infrastructure is weak. Equity also remains a concern, with rural communities requiring expanded wraparound services, childcare, transportation, and housing stipends, to make training programs accessible.

Conversations with the Clean Air Task Force (CATF) further emphasized that states like New Mexico, while ahead of Utah, still depend on federal rebates and must ensure long term sustainability as federal support wanes. These challenges show that even states with strong centralized governance must continuously adapt to ensure equitable transitions.



New Mexico’s State Land Office also manages extensive oil, gas, and mineral leases, with concentrations in the northwest near Farmington, the southeast Permian Basin, and an area in the northeast near the Texas border, as shown in the attached map (New Mexico State Land Office). Like Utah, this leasing system remains dominated by fossil development, and the state has not yet formally shifted its land trust policies toward renewable co-location. What distinguishes New Mexico, however, is the way its centralized workforce development boards and policy structures position it to integrate renewable projects more quickly once land office priorities evolve. The density of leases in rural and tribal regions also underscores the importance of ensuring that future renewable siting is accompanied by equitable workforce pipelines and community benefits.

Policy Findings

1. **Utah's decentralized workforce system prevents coordinated transition.** Training programs are dispersed, unlinked, and insufficiently targeted to renewable energy needs. Without a central authority, Utah cannot build pipelines that connect coal and fossil fuel workers to clean energy employment.
2. **Energy incentives remain misaligned.** Fossil fuels continue to receive the bulk of state level tax credits. Solar incentives are being phased out despite cost-effectiveness, while nuclear development is supported but remains outside state control.
3. **Land trusts are a structural barrier.** SITLA's leasing portfolio overwhelmingly favors fossil fuels, with contracts spanning thousands of acres under oil and gas companies. Opening these areas to renewables will also lower costs, help workers transition, and keep communities thriving.
4. **Targeted investments are missing.** Stakeholders across multiple meetings identified the need for grant writers, mobile training units, certification pipelines, and wraparound services, such as childcare, to make training more accessible. Utah currently provides none of these.
5. **Federal support is receding.** As IRA and BIL priorities shift, states that rely solely on federal funding risk stalling their clean energy transitions. Both Utah and New Mexico must prepare to shoulder more responsibility for workforce development and infrastructure.

Recommendations

To secure their energy futures and ensure workers are not left behind, Utah and New Mexico should adopt the following reforms:

1. Centralize Workforce Development

- Utah should establish a statewide clean energy workforce board to coordinate universities, trade schools, and industry partners.
- Expand Utah Talent Ready beyond certifications to include pipelines that guarantee job placement.
- New Mexico should continue using centralized boards but expand technical training, particularly in geothermal and advanced wind and solar technologies.

2. Realign Incentives

- Utah should redirect tax credits from fossil fuels toward solar energy, wind energy, and battery storage.

- Preserve and expand solar tax credits instead of sunseting them, ensuring declining installation costs translate into workforce opportunities.
- Develop state level incentives to support geothermal training and apprenticeships.
- New Mexico should leverage its stronger tax base to ensure continued investment in training programs as federal supports decline.

3. Reform Land Trust Leasing Practices

- Utah should introduce dual use leasing to allow renewable projects on existing oil and gas lands.
- Reassess long term contracts with fossil operators and reserve portions of trust lands for renewable co location.
- Require workforce transition plans as part of renewable lease agreements.

4. Invest in Support Infrastructure

- Both states should fund grant writers for rural and tribal communities to access federal and philanthropic resources.
- Deploy mobile training units to bring certifications into remote areas.
- Provide wraparound services, childcare, housing stipends, and transportation to ensure equitable access to training.

Why This Matters

The clean energy transition is both an environmental necessity and an economic imperative. States that align their workforce and land policies will capture investment, create high quality jobs, and strengthen grid resilience. Utah has significant technical potential, from geothermal resources to planned battery storage expansion, but fragmented governance and a fossil dominated land trust system threaten to undermine progress. New Mexico shows how integrated governance can accelerate transition, but its own vulnerabilities, workforce training gaps, equity in tribal regions, and dependence on federal incentives, highlight that continued adaptation is necessary. With federal priorities shifting away from IRA and BIL supports, both states must rely increasingly on state driven reforms to sustain momentum.

Call to Action

Utah policymakers must act now to prepare the state for co location. Centralizing workforce development, realigning incentives, and reforming SITLA leasing practices will not only prepare Utah's workforce but also ensure fossil dependent communities are not left behind. New Mexico must not become complacent. Building on its centralized model, it must expand geothermal and technical training, address equity gaps, and prepare to maintain progress without federal subsidies.

Conclusion

Utah and New Mexico stand at a crossroads. Utah's decentralized workforce governance, misaligned incentives, and fossil fuel dominated land trusts are ill suited to the clean energy era. New Mexico's centralized model offers a stronger foundation but still faces vulnerabilities that require attention. As federal priorities shift away from IRA and BIL support, both states must assume greater responsibility for aligning their workforce and land trust systems with the demands of renewable co location. The choice is clear: adapt governance and investments to support workers and communities, or risk being left behind as the energy economy evolves. Both states have the potential to emerge as leaders in co location if they act decisively and inclusively.

References

Utah State Institutional Trust Lands Administration (SITLA). *Active oil and gas contracts dataset*. Retrieved from <https://opendata.utah.gov/dataset/SITLA-Active-Oil-and-Gas-Contracts/679a-vqp8>

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