



## New Mexico Clean Fuels Coalition

February 16, 2023

Dear Chairwoman Ortez, President Pro Tempore Stewart, Chairwoman Chandler, and Chairwoman Duhigg,

The New Mexico Clean Fuels Coalition is submitting this letter in strong support of New Mexico House Bill 426 (HB 426) to provide authority to the Environmental Improvement Board to adopt a clean transportation fuel standard.

The New Mexico Clean Fuel Coalition ([nmcleanfuels.com](http://nmcleanfuels.com)) is a broad stakeholder group of companies and associations that support a market-based and technology-neutral approach to decarbonizing transportation. The Coalition reflects the diverse technologies that reduce greenhouse gas emissions and slow climate change, while improving air quality, mitigating pollution-related health impacts, providing quality jobs, spurring widespread economic benefits, and buffering consumers against fuel price spikes due to dramatic fluctuations in the oil market. Our supporters include the full range of clean fuel sources and technologies including electricity, renewable dimethyl ether, renewable propane, renewable natural gas, low-carbon hydrogen, biodiesel, ethanol, and renewable diesel.

Rather than picking winners and losers, a clean transportation fuel standard provides an annual carbon intensity target that all fuels are measured against. Fuels with carbon intensity below the target receive credits, with lower carbon intensities earning more credits. Fuels above the target accrue deficits that are offset by buying credits directly from those who earned them. This objective and performance-based approach relies on industry and the market to align investments and technologies to optimize credits and/or minimize deficits by lowering the carbon intensity of feedstocks, processes, and transport of fuels.

The market-based design of a clean fuel standard has been proven as an effective and efficient approach to decarbonizing transportation.<sup>1</sup> Clean transportation fuel standards also provide broad benefits to air quality, human health, the economy, and consumers. These policies reduce air pollution mortality and lower public health costs, as well as mitigate inequity by reducing pollution exposure disparities based on race and income.<sup>2</sup> In addition, they provide a

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<sup>1</sup> Union of Concerned Scientists Fact Sheet “Clean Fuel Standards: A Proven Approach to Fuel a Low-Carbon Future” at <https://www.ucsusa.org/resources/clean-fuel-standards>

<sup>2</sup> UC Davis at <https://www.sciencedirect.com/science/article/pii/S1352231023000080>



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strong incentive for companies to capitalize on diverse regional or state resources and create genuine market competition for gasoline and diesel.<sup>3</sup> Fuel market diversity, in turn, directly benefits consumers. While gas prices rose dramatically a year ago, electricity and high ethanol blends (E85) costs remained stable, offering substantial savings for drivers of electric and flex-fuel vehicles.<sup>4</sup>

Few public policy initiatives offer the across-the-board benefits of a clean transportation fuels standard. HB 426 paves the way for New Mexico to both establish national leadership in the fight against climate change, and invigorate the State's energy economy by promoting substantial new investments and high-paying jobs in clean transportation fuels. The New Mexico Clean Fuels Coalition commends you for your vision and leadership on this important issue.

Sincerely,

A handwritten signature in blue ink that reads "R. Vercruse".

Robin Vercruse  
Co-Chair, NM Clean Fuels Coalition  
Policy Director, Low Carbon Fuels Coalition

A handwritten signature in black ink that reads "Amy Brown".

Amy Brown  
Co-Chair, NM Clean Fuels Coalition  
COO, Adelante Consulting

Cc: Speaker of the House Martinez

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<sup>3</sup> <https://ww2.arb.ca.gov/resources/documents/lcfs-data-dashboard>

<sup>4</sup> <https://www.lfcoalition.com/s/Bates-White-LCFC-Report-Updated-20220421.pdf>