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Clean Fuel Standard Act passes New Mexico Senate

Innovative approach to reducing emissions is good for the environment, good for business

SANTA FE – Today, the New Mexico Senate passed the Clean Fuel Standard Act (Senate Bill 11). A Clean Fuel Standard is an innovative approach to reducing emissions from the transportation sector while growing New Mexico businesses, attracting new economic opportunities and creating green, high-paying jobs.

If enacted, the Clean Fuel Standard Act will establish a market-based approach to cut greenhouse gas emissions from transportation fuels, requiring fuel producers and importers to reduce the amount of carbon in fuels used in New Mexico — a 10% reduction by 2030 and a 28% reduction by 2040. That's the equivalent of taking over 46,000 cars off the road every year for 15 years.

“Thank you to my colleagues in the Senate for supporting this legislation, which will result in huge economic benefits for New Mexico,” said sponsor Sen. Mimi Stewart. “I’m sure the more than 20 companies who have expressed interest in expanding or establishing operations in New Mexico if a Clean Fuel Standard passes are also celebrating today.”

“Lower carbon fuels – like hydrogen and electricity – will pave the way to a greener economy and cleaner transportation sector,” said New Mexico Environment Department Cabinet Secretary James Kenney. “Today, we took a step forward in jump starting new and expanded investment in New Mexico.”

While a Clean Fuel Standard *requires* fuel producers to reduce the carbon intensity of transportation, it also establishes a *voluntary*, market-based credits program available to all types of industries who reduce emissions from their operations. Credits may be generated from any business in any sector of our economy – including the agriculture, chemical, dairy, energy, film, forestry, manufacturing, mining, oil and gas, waste management and wastewater treatment industries.

“This forward-thinking legislation will boost private investment in innovative technologies that will assist New Mexico in transitioning to cleaner energy sources while attracting new businesses and creating jobs,” said New Mexico Economic Development Department Secretary Alicia J. Keyes.

New Mexico’s large agriculture industry would also benefit by becoming suppliers for New Mexico’s low carbon fuels market, selling the large quantities of biomass (for example, tallow and cow manure from

dairy farms in Clovis, pecan shells from orchards in Doña Ana County and other organic waste from operations) they produce.

“This will open the doors for New Mexico farmers, ranchers and dairy producers to be able to supply the biomass to produce clean energy fuels,” said New Mexico Agriculture Secretary Jeff Witte.

Fuel producers and importers can meet a lower carbon fuel standard by purchasing credits if they are not able to produce fuels that meet the carbon standard. The Clean Fuel Standard Act does not apply to retailers of transportation fuels, like gas stations.

“New Mexico is now one step closer to establishing a Clean Fuel Standard which will help reduce emissions – a key priority for this administration,” said Energy, Minerals and Natural Resources Department Cabinet Secretary Sarah Cottrell Propst. “This bill proves that we can tackle the climate crisis while diversifying our economy.”

One of the most often-asked questions on a Clean Fuel Standard is how price at the pump will be affected for New Mexico consumers. Research indicates that in California, where a Clean Fuel Standard is already in place, gasoline prices per gallon are actually *lower* than they were when the Clean Fuel Standard program was implemented. Estimates show that California’s Clean Fuel Standard contributes 1% at most to the price of each gallon of gas.

The legislation, sponsored by Sen. Mimi Stewart and Rep. Nathan Small, requires the New Mexico Environment Department (NMED) to develop rules within 24 months of the bill becoming law. The Clean Fuel Standard Act does not present a numerical standard for any fuel, as that will be selected during the NMED rulemaking process.

The legislation now heads to the House.

More information about the Clean Fuel Standard Act and letters of support for the Clean Fuel Standard are available [here](#).

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