



Office of the Governor

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The New Mexico Clean Fuel Standard Act

A clean fuel standard will transform the transportation economy and is a proven, cost-effective way to reduce the carbon footprint of transportation fuel, protect public health, and advance New Mexico's ambitious climate goals.

The Clean Fuel Standard Act harnesses market forces to spur millions of dollars in economic investment in the clean economy with the potential to create jobs in rural and urban communities across the state. It's also estimated that, if implemented, a clean fuel standard will reduce emissions by 18.5 million metric tons of carbon dioxide – equivalent to taking 570,000 cars off the road for a year!

Generate economic investment **Reduce emissions**
Increase electric vehicle options for consumers

HOW IT WORKS

A clean fuel standard requires those that refine, blend and import transportation fuels, like gasoline and diesel, to annually decrease the carbon intensity of their fuels, leading to a 20% reduction by 2030 and additional reductions after that. *Carbon intensity* measures how much carbon is emitted throughout a fuel's lifecycle, including its production, shipping, and use.

To meet these requirements, entities can:

- Blend high carbon-intensity fuel with renewable options, like biodiesel and ethanol.
- Offset high carbon-intensity fuel with credits purchased from generators of low-carbon-intensity fuels, like hydrogen, electricity, and renewable natural gas.
- Purchase credits from any business that reduces emissions in a measurable way.

A clean fuel standard also creates a credits market that allows businesses from any sector that measurably reduces greenhouse gas emissions in the transportation fuel supply chain to generate valuable credits that can be sold. Credits cannot be generated from emission reductions already required by law.

A clean fuel standard does not apply to retailers of gasoline, like gas stations. Studies in states that already have clean fuel standards in place demonstrate that the standard has next-to-no impact on the price consumers pay at the pump.

WHY NOW?

Energy and automobile companies the world over are investing in decarbonization technologies, and we want those investments here in New Mexico. Over 20 companies from around the country penned letters of support for the clean fuel standard proposal put forward during the 2021 session, and nearly every major car manufacturer has committed to manufacturing cleaner and/or alternate fueled vehicles.

The transportation sector is the second leading greenhouse gas emitter in the state. With many New Mexicans frequently traveling large distances, a clean fuel standard is a passive way to reduce these emissions – and boost the economy in the process.