



NEWS RELEASE

The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

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NMED releases draft rule for clean fuel program *Program will reduce state emissions and foster economic development*

SANTA FE — The New Mexico Environment Department today unveiled its [discussion draft rule](#) for its clean transportation fuel program, a landmark step in implementing an initiative that will reduce New Mexico's carbon emissions and foster diverse economic growth.

This milestone follows Gov. Michelle Lujan Grisham's signing of House Bill 41 in March 2024, making New Mexico the fourth state to enact such a program. The Environment Department's announcement of a clean fuel program draft rule came on the same day that President Joe Biden [set ambitious new goals](#) to slash U.S. greenhouse gas emissions by 2035.

"New Mexico continues to lead on strategies to protect our planet from climate change while also creating the dynamic new clean energy jobs of the future," said **Lujan Grisham, who is co-chair of the U.S. Climate Alliance**. "This new clean fuel program will help New Mexico continue to make progress toward our ambitious climate goals."

New Mexico's clean transportation fuel program enables producers and importers of low-carbon transportation fuels to generate clean fuel credits, which can then be sold to producers and importers of high-carbon fuels. This credit marketplace will diversify the state's transportation fuels, paving the way for less emissions.

A clean fuel program will also drive new economic activity in New Mexico, with low-carbon producers and transporters already eyeing the state as their next market. It is estimated by Adelante Consulting that hundreds of full-time and construction jobs will result from the clean fuel standards' implementation. Clean fuels jobs have risen sharply in recent years, with the number of positions nationwide increasing by 16.5 percent between 2022 and 2023.

By entering the \$3 billion alternative fuels market, New Mexico expects to generate millions in wages and capital investment in new and cutting-edge industries like clean hydrogen, syngas, and renewable propane.

“Our clean fuels program is based on the principle of rewarding businesses for helping New Mexico safeguard its air,” said **Environment Secretary James Kenney**. “The release of this draft rule signals that we’re close to bringing this initiative, which is poised to be a key factor in meeting our ambitious climate goals, to fruition.”

Today’s draft rules are the result of nearly 10 months of work by NMED staff, including establishing an Advisory Group and meeting with numerous interested parties.

The public is encouraged to learn more and provide feedback on the draft rule at upcoming meetings. NMED will host an in-person meeting on Monday, Jan. 6, beginning at 4:30 p.m. at the Albuquerque International Public Library, as well as a virtual meeting from 12 p.m. to 1:30 p.m. on Thursday, Jan. 10. Additional details and links to the meetings are on the [NMED calendar](#).

From Friday, Dec. 20 through Friday, Jan. 17 at 5 p.m., the department will also accept feedback through [NMED’s public comment portal](#). The formal rulemaking process planned for the spring and summer of 2025 provides additional opportunities for public engagement and comments.

Transportation ranks as New Mexico’s second-largest source of emissions (after oil and gas production), which is why the state is implementing strategies and developing infrastructure projects to reduce emissions from the sector.

In 2023, New Mexico adopted Advanced Clean Cars, which provides New Mexicans with more options for zero-emission vehicles, while preserving consumer choice. In 2023, New Mexico also adopted the Advanced Clean Trucks and Heavy-Duty Omnibus Rules for a combined projection of reducing greenhouse gas emissions by 11.6 million metric tons by 2050 and avoid climate damages by approximately \$1.1 billion.

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