



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.

For Immediate Release

May 19, 2025

Contact: Drew Goretzka, Director of Communications
New Mexico Environment Department
505.670.8911 | drew.goretzka@env.nm.gov

New Mexico plans clean fuels program to protect air & boost economy

SANTA FE — The New Mexico Environment Department (NMED) has proposed a Clean Transportation Fuel Program to the state's Environmental Improvement Board (EIB).

If approved, New Mexico would become the fourth state in the nation with a clean transportation fuel standard, following Gov. Michelle Lujan Grisham's signing of House Bill 41 in March 2024.

This innovative market-based program would allow producers, importers, and dispensers of low-carbon fuels to generate and sell credits to those producing high-carbon fuels.

“Under Gov. Michelle Lujan Grisham's leadership, New Mexico is diversifying its economy while addressing climate emissions — proving once again you don't have choose between the two,” said **Environment Secretary James Kenney**.

The program aims to:

- Strengthen and diversify New Mexico's economy.
- Create new economic opportunities in the \$3 billion alternative fuels market.
- Attract investment in emerging industries like clean hydrogen and renewable propane.

NMED developed the proposal after extensive public input, including approximately 90 responses to a discussion draft published in December 2024. The department also met with industry representatives, environmental advocates, and tribal governments.

A 60-day public comment period is expected to begin in mid-June 2025, with the EIB considering all feedback before making a final decision.

A copy of the petition, statement of reasons, and draft proposed rule is [available here](#).

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