



STATE OF NEW MEXICO

Environment Department

MICHELLE LUJAN GRISHAM, GOVERNOR

James C. Kenney, Cabinet Secretary

NEWS RELEASE **For Immediate Release**

January 22, 2025

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.

Contact: Drew Goretzka, Director of Communications
New Mexico Environment Department
505-670-8911 | drew.goretzka@env.nm.gov

New Mexico officially adopts first clean fuel market in Southwest

SANTA FE — The New Mexico Environmental Improvement Board today unanimously adopted regulations establishing the Clean Transportation Fuel Program, setting April 1 as the opening date for the Southwest's first clean fuel market.

Signed into law by Gov. Michelle Lujan Grisham in 2024, the Clean Transportation Fuel Program is a market-based initiative that incentivizes and expands access to lower-carbon transportation fuels, including ethanol, biofuels, renewable diesel, renewable natural gas, electricity, and supporting infrastructure.

The program will boost economic development across the state, create over 800 jobs, and reduce health care costs by improving air quality. Overall, the program is expected to deliver \$1.65 billion in net benefits to New Mexicans through avoided air quality health impacts and climate change infrastructure damages. Cumulatively through 2040, the program will prevent 337 asthma cases, 60 work-loss days, 59 school-loss days, and 353 restricted activity days for children.

“Affordability is a must-have with any new state policy, including our Clean Transportation Fuel Program,” said **Lujan Grisham**. “This practical yet powerful program will spur job growth and investments while decreasing health care costs for New Mexicans – to the tune of up to \$20.8 million annually once fully implemented.”

“New Mexico is racing towards affordable, clean energy solutions in the transportation sector,” said **Environment Secretary James Kenney**. “Our state is officially open for clean fuel business investments – from cleaner renewable diesel and hydrogen for long-haul trucking to more charging infrastructure to accommodate our increasing battery-electric passenger vehicles.”

Transportation is the second-largest source of greenhouse gas emissions in New Mexico, accounting for approximately a quarter of statewide emissions. It contributes significantly to particulate matter (PM_{2.5}), volatile organic compounds (VOCs) and nitrogen oxides (NO_x),

which worsen asthma and other respiratory illnesses and disproportionately impact overburdened communities.

By 2030, the Clean Transportation Fuel Program is projected to reduce PM2.5 by 144 tons, VOCs by 200 tons, and NOx emissions by 169 tons. The program will move New Mexico closer to meeting the state's goal of cutting climate pollution 45% by 2030 and achieving net-zero emissions by 2050.

New Mexico is the first state in the Southwest to adopt a Clean Transportation Fuel Program and only the fourth state in the United States to do so.

For more information on the Clean Transportation Fuel Program, visit <https://www.env.nm.gov/climate-change-bureau/clean-fuel-program/>.

###

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Parts 5 and 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kate Cardenas, Non-Discrimination Coordinator | NMED | 1190 St. Francis Dr., Suite N4050 | P.O. Box 5469 | Santa Fe, NM 87502 or (505) 827-2855 or nd.coordinator@env.nm.gov. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator.

###