



New Mexico Environment Department

Clean Transportation Fuel Standard

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DISCLAIMER

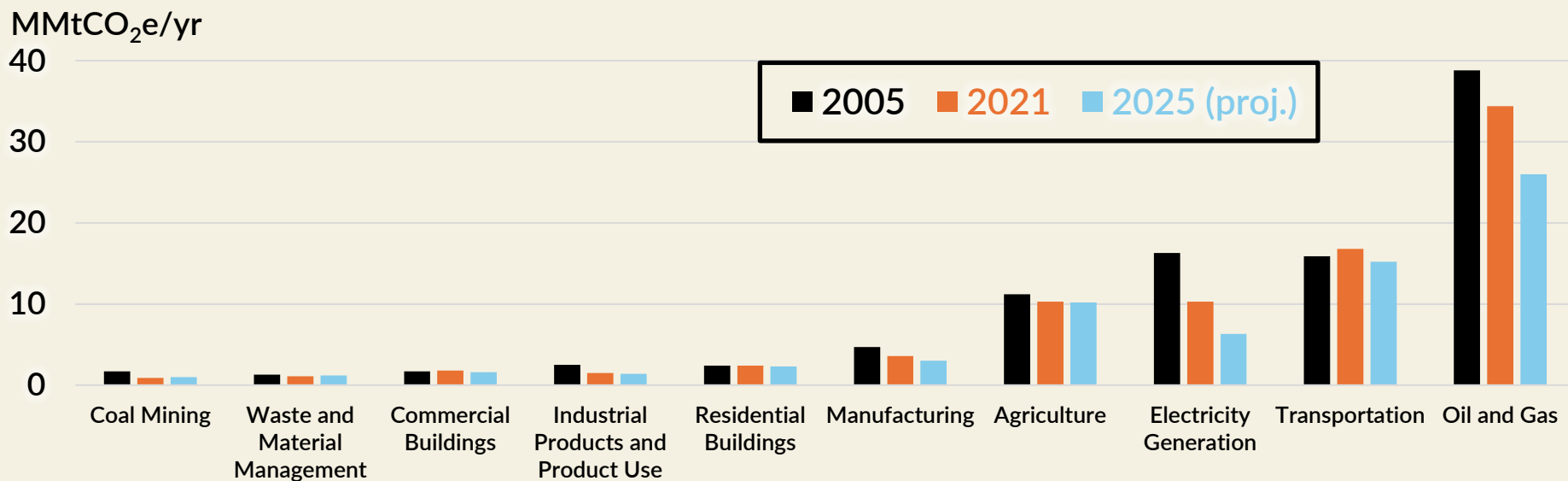
The New Mexico Environment Department (NMED) is engaged in active and ongoing rulemaking and the development of the Clean Transportation Fuel Program (CTFP). The information contained in this presentation is preliminary and is subject to modification resulting from technical analyses, research, modeling, public and interested party input, Tribal engagement, and development processes. NMED reserves the ability to further adjust and update content in future versions and presentations. Nothing in this presentation is intended to represent information or language that is final or that would be proposed in the rulemaking; it is intended for educational purposes only.



New Mexico Climate Goals

- 2019 E.O.: 45% greenhouse gas (GHG) reduction (2005-2030).
- US Climate Alliance pledges: 50-52% by 2030, 61-66% by 2035, net zero no later than 2050.
 - How it's going: 29% reduction through 2025 (vs. 26-28% Paris goal)

New Mexico emissions by sector, 2005, 2021, and 2025 (million metric tons of CO₂e per year)



Source: Energy & Environmental Economics, Inc. "New Mexico Greenhouse Gas Emissions Inventory and Forecast: 2021 Emissions Inventory and 2030-2050 Forecast." December 2024. https://cloud.env.nm.gov/resources/_translator.php/OGMyZmMwODI4ODEzZDJmNzU1Njk4NmQyNlI8xNzcyMTM~.pdf.



Enabling Statute

House Bill 41 (2024)

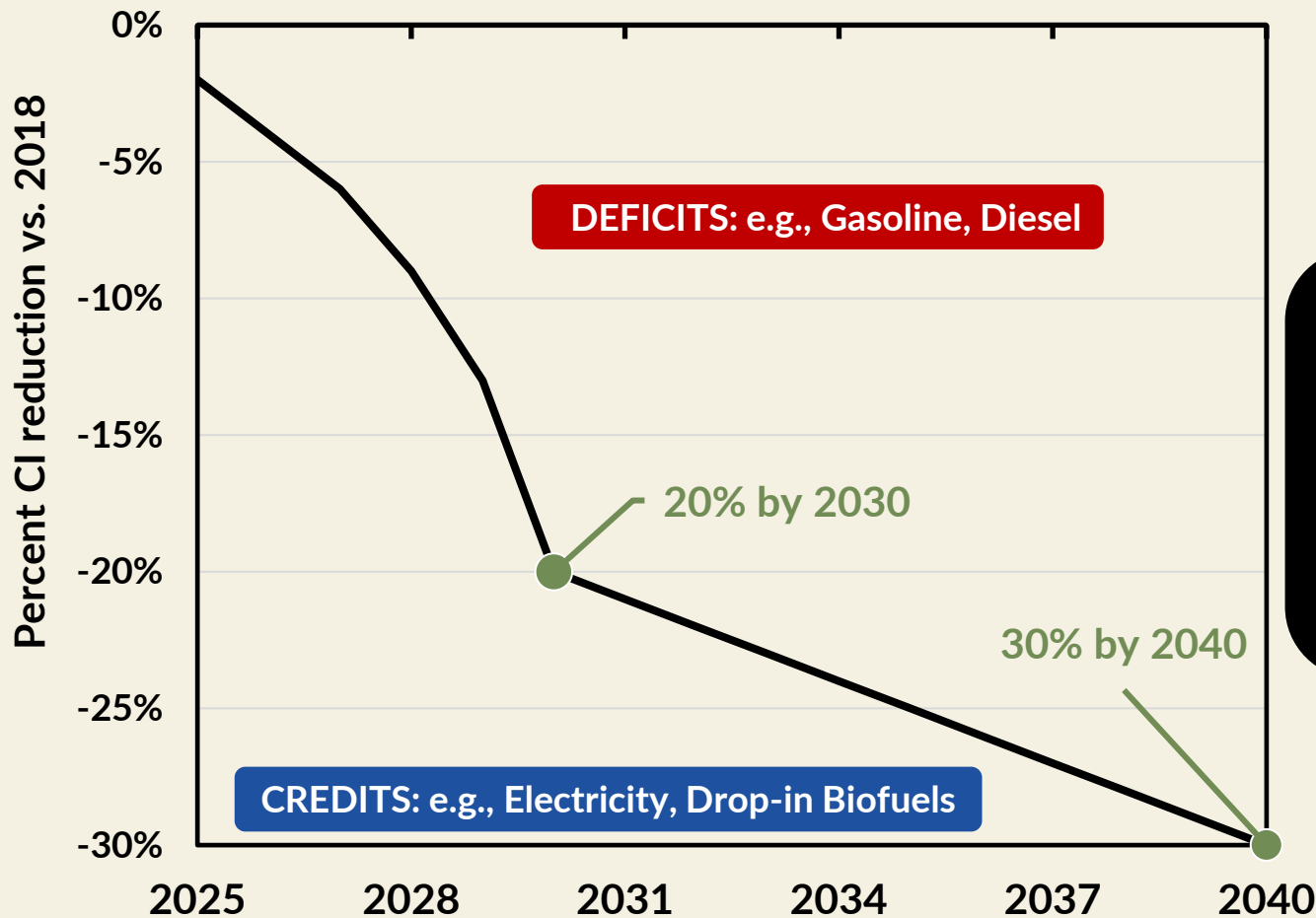
- New Mexico became the 4th U.S. state to enact a Clean Transportation Fuel Standard (CTFS) - now codified in statute at Section 74-1-18 NMSA 1978.
- Under statute, the Environmental Improvement Board (EIB) must promulgate rules no later than July 1, 2026, for the Clean Transportation Fuels Program (CTFP).
- The statute adds 10 provisions to the Environmental Improvement Act that must be addressed in rulemaking.





1. Decreasing Carbon Intensity

Statute requires annual reduction of carbon intensity (CI) vs. 2018.



Allows all kinds of new technologies to drive adoption of cleanest, most economic alternative fuels. Spurs innovation and investment.

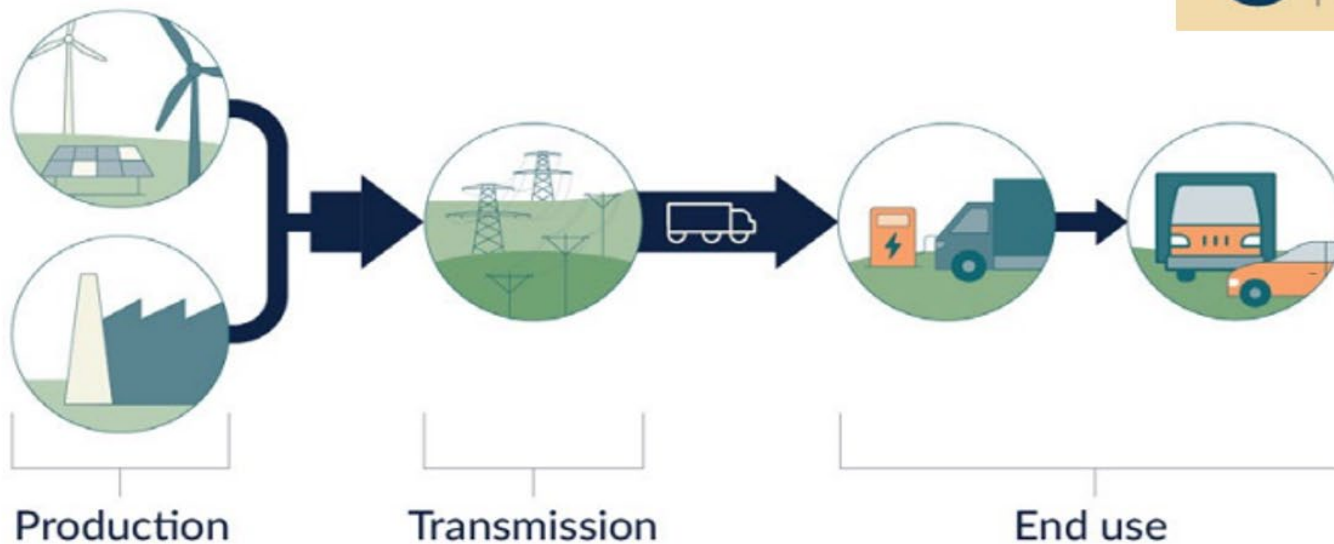


2. Fuel Lifecycle Emissions

Lifecycle example: Electricity

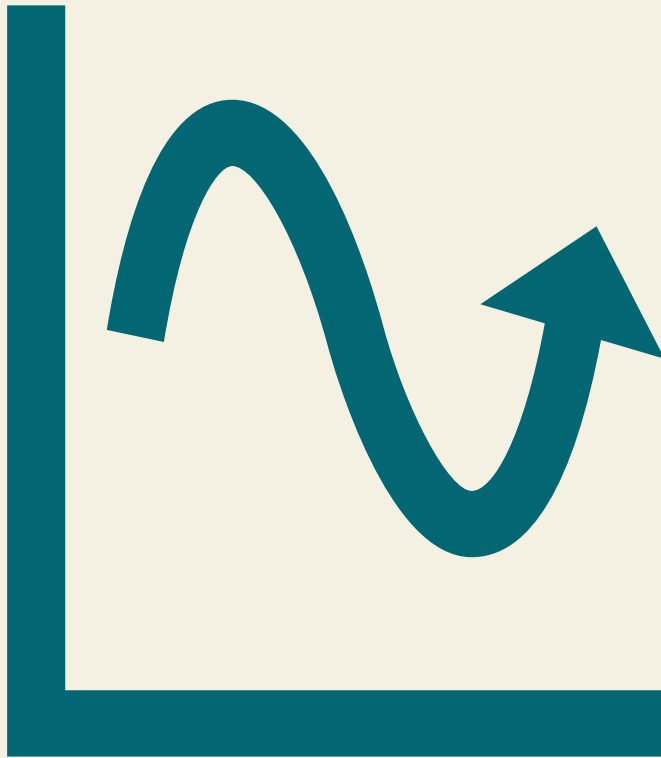


**GREAT PLAINS
INSTITUTE**





3. Regulating the Credit Market



Documentation
to ensure
validity.



Safeguards to
avoid double-
counting.



Timelines for
buying and
retiring.



Other
opportunities
(e.g. fuel supply
equipment).



4. Verification and Compliance



Procedures for monitoring and verification.



Certification of third-party verifiers.



Mechanisms to ensure annual compliance.



Credit banking mechanisms.



5. Utility Revenue Reinvestment

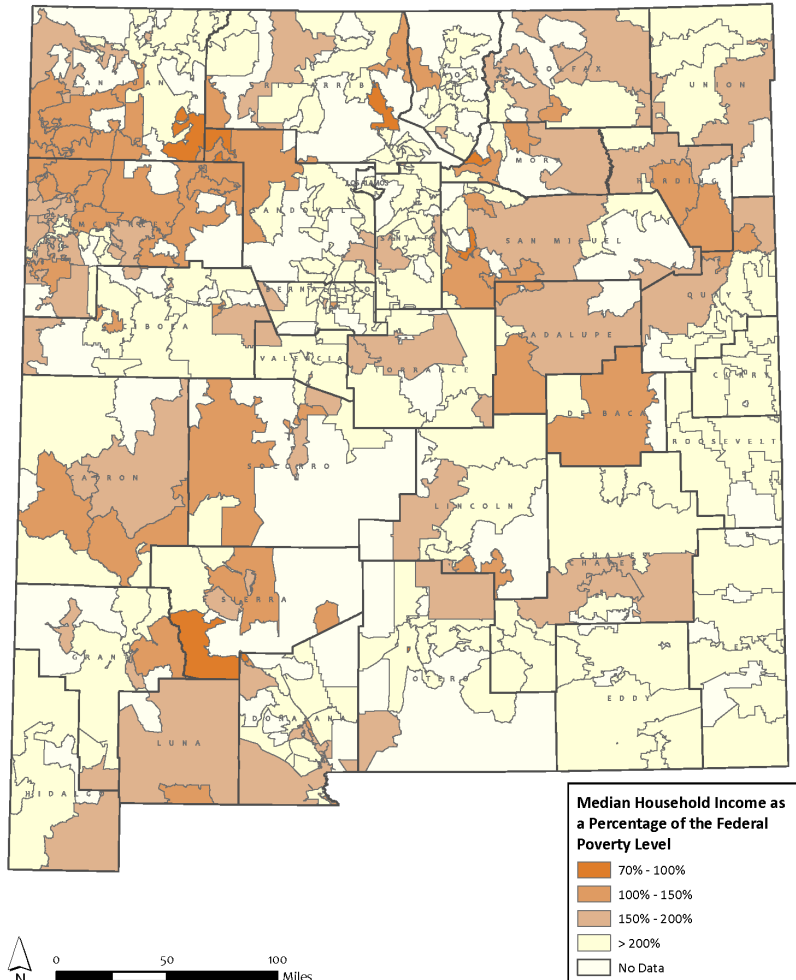


- Utilities must invest all CTFP credit revenue into:
 - ▣ Grid modernization;
 - ▣ Infrastructure;
 - ▣ Distribution; and
 - ▣ Other transportation decarbonization work.



5. Utility Revenue Reinvestment

New Mexico CFS Preliminary Demographics:
Underserved Communities by Zip Code



- Utilities must invest 50% or more of such revenues to support underserved communities.



Additional Legal Requirements

6. Compatibility with other programs.
7. Equal treatment of in- and out-of-state fuels.
8. Advisory Committee.
9. Deferral mechanisms.
10. Fees for administration and enforcement.



Benefits for New Mexico

Improved air
quality and health

Consumer
choice

Local
startups

New fueling
infrastructure

Community
investment

Energy and
economic
security

Good-paying jobs:

- Project managers
- Engineers
- Electricians!!!
- Many more ...

