



Office of the Governor

MICHELLE LUJAN GRISHAM

FOR IMMEDIATE RELEASE

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Governor announces plan for EV tax credits

Issues executive order transitioning state fleet to ZEVs by 2035

ALBUQUERQUE – Gov. Michelle Lujan Grisham announced on Monday her intention to pursue tax credits for electric vehicles during the upcoming legislative session.

The governor made the announcement during her Symposium on the Future of Transportation in New Mexico. In addition, the governor signed on Monday an executive order directing the state fleet to transition to zero-emission vehicles (ZEVs) by 2035.

"The fact of the matter is that consumers and dealers want better access to electric vehicles, and the actions we've taken through Clean Car rules and now tax credits are leveling the playing field," said **Gov. Lujan Grisham**. "I also took action today to make sure the state is 'walking the walk' when it comes to widely adopting low- and zero-emission vehicles by requiring the state fleet to be zero-emission by 2035."

The governor's proposed tax credits would apply to new and used electric vehicles to help meet the state's and the country's climate goals. Part of New Mexico's electric vehicle transition funding comes from President Biden's Bipartisan Infrastructure law, which is expected to allocate an estimated \$38.6 million to the state supporting the use of electric vehicles.

"By convening more than 300 stakeholders from auto dealers to environmental advocates, the Governor is moving not only the conversation forward but the actions being taken around the state to increase the availability of vehicles and charging infrastructure," said **Martin J. Chavez, Infrastructure Advisor to the Governor**.

"If we are going to move the state forward into a lower-carbon future, these tax credits are vitally important," said **Sen. Benny Shendo, Chair of the Senate Tax, Business and Transportation Committee**. "I'm grateful to the governor for her support of this important initiative."

"Tax credits are a critical piece of making sure that electric vehicles are not only accessible but also affordable," said **Rep. Dayan Hochman-Vigil, Chair of the House Transportation, Public Works and Capital Improvements Committee.** "Thank you to Gov. Lujan Grisham for supporting tax credits in the upcoming session, and I'm looking forward to working with my colleagues to get these across the finish line."

The state's transition to clean cars is well underway. Gov. Lujan Grisham and the New Mexico Energy, Minerals and Natural Resources Department secured \$700 million through Charging Fuel Infrastructure Grants, the legislature secured \$10 million in America Recovery Plan Act funding, and earlier this year, the governor announced the state's move toward adopting Advanced Clean Cars and Trucks rules reducing more than 76 million metric tons of carbon dioxide emissions when fully implemented.

The executive order signed by the governor directs departments to purchase zero-emission vehicles (ZEVs) for all new acquisitions where one or more options are available. Agencies with ten or more vehicles will work with the Transportation Services Department to develop and submit a data-driven strategic plan to the Office of the Governor that includes proposed annual ZEV acquisition and charging equipment deployment targets annually. The executive order allows for some exceptions, including law enforcement and firefighting vehicles.

The signed order is attached to this release.

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State of New Mexico

Michelle Lujan Grisham
Governor

EXECUTIVE ORDER 2023-138

TRANSITIONING THE STATE OF NEW MEXICO'S VEHICLE FLEET TO NET ZERO EMISSIONS

WHEREAS, New Mexicans have always treasured the air, land, and water of our beautiful state;

WHEREAS, the lands and environment of our State do not belong to us, but are part of a trust that we are obligated to protect, preserve, and ensure that they remain beautiful and whole for our children, their children, and every generation to follow;

WHEREAS, climate change is a threat to who we are as New Mexicans and endangers how people have lived in this place for thousands of years;

WHEREAS, New Mexico is a rural state, which makes tackling the emissions of the transportation sector a challenge because many New Mexicans depend on cars and trucks to get to work, school, and grocery stores;

WHEREAS, the Federal Government in its report, *GAO-23-105350, Federal Fleets: Zero-Emission Vehicle Implementation*, defined zero-emission vehicles as: (1) battery electric vehicles (BEV), which are powered solely by a battery on board; (2) plug-in hybrid electric vehicles (PHEV), which are powered by a combination of a battery on board and a gasoline engine; and (3) fuel cell electric vehicles, which are powered by the conversion of hydrogen to electricity;

WHEREAS, the transition of the State of New Mexico’s vehicle fleet to zero-emission vehicles will require detailed infrastructure planning that recognizes the need for accessible charging, development of procurement standards and strategies, employee education and training, and optimization of vehicle types purchased and deployed;

WHEREAS, the National Renewable Energy Lab’s (NREL) technical report, *Decarbonizing Medium- & Heavy-Duty On-Road Vehicles: Zero-Emission Vehicles Cost Analysis*, shows that zero-emission vehicles (ZEVs) can reach total-cost-of-driving parity with conventional diesel vehicles by 2035 for all medium- and heavy-duty (MD/HD) vehicle classes, with ZEV sales potentially reaching 42% of all MD/HD trucks by 2030, reflecting lower combined vehicle purchase and operating costs, potentially reducing CO₂ emissions levels in 2045 by 69% from 2019 levels; and

WHEREAS, transitioning the State of New Mexico to a ZEV fleet will benefit the State and its residents environmentally, socially, and economically.

NOW, THEREFORE, I, Michelle Lujan Grisham, Governor of the State of New Mexico, by the authority vested in me by the Constitution and laws of the State of New Mexico do hereby **ORDER** and **DIRECT** as follows:

1. All state agencies shall acquire ZEVs for all new vehicle acquisitions where one or more ZEV options for the appropriate class of vehicle are available.
2. The New Mexico General Services Department (GSD) and New Mexico Department of Transportation (NMDOT) shall institute state fleet purchase requirements as soon as practicable that are measurable, enforceable, and include benchmarking and progress reporting.
3. All state agencies shall transition to a full ZEV fleet by 2035 by instituting the following policies:

a. Agencies must work with the Transportation Services Division (TSD) to propose targets, including annual progress targets, where applicable, to meet this Order's goals and requirements for ZEV acquisition and charging equipment deployment.

b. Agencies shall issue or revise existing agency policies, directives, and guidance, as appropriate, including policies that impact employee training.

c. Agencies with ten or more vehicles shall annually work with TSD to develop and submit to the Office of the Governor a data-driven, strategic plan that includes proposed annual ZEV acquisition and charging equipment deployment targets.

d. All state agencies shall work with GSD to include the installation of Level 2 or Level 3 EV charging stations in the design and construction of any new facilities.

4. Notwithstanding any provision in this Order, state agencies may continue to purchase appropriate internal combustion engine vehicles for construction, maintenance, emergency management, firefighting, or law enforcement use where no equivalent ZEV is available or when a ZEV would be substantially less effective for the intended use.

I FURTHER ORDER and DIRECT as follows:

1. This Order supersedes any previous orders, proclamations, or directives to the extent they are in conflict.

2. This Order shall take effect immediately and shall remain in effect until renewed, modified, or rescinded.

3. Nothing in this Order is intended to create a private right of action to enforce any provision of this Order or to mandate the undertaking of any particular action pursuant to this Order; nor is this Order intended to diminish or expand any existing legal rights or remedies.

ATTEST:

Maggie Toulouse Oliver

MAGGIE TOULOUSE OLIVER
SECRETARY OF STATE



DONE AT THE EXECUTIVE OFFICE
THIS 16TH DAY OF OCTOBER 2023

WITNESS MY HAND AND THE GREAT
SEAL OF THE STATE OF NEW MEXICO

Michelle Lujan Grisham
MICHELLE LUJAN GRISHAM
GOVERNOR