



Office of the Governor

MICHELLE LUJAN GRISHAM

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New Mexico becomes fourth state to enact Clean Fuel Standards as governor signs legislation

Landmark legislation set to grow economy, reduce emissions

SANTA FE — Gov. Michelle Lujan Grisham today signed House Bill 41, Clean Transportation Fuel Standards, into law. New Mexico is the fourth state in the nation to enact the standards.

HB41 allows producers and importers of low-carbon transportation fuels to generate clean fuel credits to sell to producers and importers of high-carbon transportation fuels. HB41 then directs the emissions of transportation fuels in New Mexico to decrease over time.

“Clean fuel standards not only decrease emissions and move us toward our climate goals, but also diversify our economy and attract new businesses to our state,” said **Gov. Lujan Grisham**. “Thank you to the bill’s sponsors for their hard work in getting this important legislation across the finish line.”

Clean fuel standards will bring at least 1,600 full-time jobs and nearly 2,300 construction jobs, generating \$470 million in wages, and attracting \$240 million capital investment in production and manufacturing in New Mexico.

In states that have adopted similar programs, clean fuel standards are proven to spur investment into innovative technologies, support infrastructure for transportation decarbonization and reduce harmful emissions – all without increasing fuel prices for consumers.

“Decreasing air pollution and reducing greenhouse gas emissions, especially around transportation corridors, makes for healthier, thriving communities while addressing the serious impacts of climate change,” said co-sponsor **Pro Tem Mimi Stewart**. “Thanks to this legislation becoming law, I expect to see a measurable, positive impact on both our health and our economy, and I am so proud of this legislature and Gov. Lujan Grisham for taking yet another bold step toward our clean energy future.”

“This program establishes a market-based approach to reward those entities that decide to produce and import clean fuels here in New Mexico,” said **Environment Department Cabinet Secretary James Kenney**. “In order to receive a clean fuel credit, you must reduce greenhouse gas emissions.”

“Under the program, at least 50 percent of net credit revenue from participating utilities must be spent on transportation decarbonization in low-income and underserved communities,” said co-sponsor **Rep. Kristina Ortez**. “As we transition away from higher carbon fuels, this legislation ensures that our most vulnerable experience the benefits cleaner transportation where they live.”

Now that HB41 is signed into law, the New Mexico Environment Department (NMED) will initiate a rulemaking process with the Environment Improvement Board (EIB) to draft, share, and ultimately adopt rules governing the clean fuel market established by the legislation. The first step in the rulemaking process is the establishment of an Advisory Group, which will be announced in early May. The first meeting of the Advisory Group is anticipated to take place in July and will continue to do so through November. NMED plans to petition the EIB in late 2024.

"The historic passage of this legislation cannot be understated," said **Lindsay Fitzgerald**, Vice President of Government Relations of Gevo, Inc. and Board Chair of the Low Carbon Fuels Coalition. "This multi-year effort required the incredible leadership of Gov. Lujan Grisham and the Legislature, and we are thrilled to see the opportunities it opens up for companies eager to invest in New Mexico's low carbon fuels market."

The transportation industry is New Mexico’s second largest source of emissions, following those from oil and gas production. New Mexico has achieved remarkable progress in implementing policies aimed at reducing emissions from transportation during the Lujan Grisham Administration.

Between 2019 and 2022, New Mexico awarded nearly \$18 million in funds from the Volkswagen Settlement Allocation for low carbon equipment and infrastructure. In July 2020, the Federal Highway Administration approved New Mexico’s first Alternative Fuel Corridors. In 2021, New Mexico adopted Clean Cars Rules and adopted Advanced Clean Cars and Clean Truck rules in 2023. In January 2024, the New Mexico Construction Industries Commission voted to adopt construction codes requiring electric vehicle infrastructure to be built into new commercial and residential construction projects. To date, 308 EV Stations are installed throughout the state, with 736 total chargers available to New Mexicans with more on the way.

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