



February 17, 2023

The Honorable Kristina Ortez
Chair, House Rural Development, Land
Grants and Cultural Affairs Committee
New Mexico House of Representatives
Santa Fe, New Mexico 87501

The Honorable Christine Chandler
Chair, House Judiciary Committee
New Mexico House of Representatives
Santa Fe, New Mexico 87501

The Honorable Mimi Stewart
Senate President Pro Tempore
New Mexico Senate
Santa Fe, New Mexico 87501

The Honorable Katy M. Duhigg
Chair, Senate Rules Committee
New Mexico Senate
Santa Fe, New Mexico 87501

Re: Consumer Reports Support for HB 426 - Clean Fuels Standard

Dear Chairwoman Ortez, Chairwoman Chandler, Senator President Pro Tempore Stewart, and Chairwoman Duhigg:

Consumer Reports (CR) is pleased to share our strong support for House Bill 426, enacting the Clean Fuels Standard. This bill is a critical step to increasing access to low carbon transportation fuels and technologies for consumers throughout the state of New Mexico.

Founded in 1936, CR is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR also advocates for laws and corporate practices that are beneficial for consumers. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities facing today's consumers, and provides ad-free content and tools to 6 million members across the United States.

Greenhouse Gas (GHG) emissions have adverse climate impacts, such as floods, wildfires, and other extreme weather which cost consumers billions of dollars every year.¹ In the United States, the biggest source of GHG emissions comes from the transportation sector, which

¹ Billion-Dollar Weather and Climate Disasters, NCEI, 2022. <https://www.ncei.noaa.gov/access/billions/>

accounts for 27% of the country's total emissions output.² In order to reduce overall GHG emissions, we have to use a variety of methods to help bring cleaner technologies to the market. One way we can reduce GHG emissions from transportation is by increasing low carbon fuel (LCF) options for our vehicles. There are many options currently available, including biofuels such as biodiesel and ethanol, which can fuel the millions of internal combustion engine vehicles already on the road today, as well as hydrogen and electricity, which require new vehicle technology. CR is committed to helping consumers understand their options when it comes to LCF technologies and ensuring the transition to low-carbon transportation options is equitable. To that end, we have established a LCF Hub on our website ([CR.org/LCF](https://www.cr.org/LCF)), which provides consumers and policy makers with information on LCFs and their benefits.

One tool that can be used to achieve broad carbon emissions reductions from the transportation sector is a Clean Fuel Standard, which is already proving successful in multiple states. An optimal Clean Fuel Standard takes a market-based approach to support a wide range of clean transportation fuels, reducing the fuels' carbon intensity year-to-year. By remaining technology neutral, a Clean Fuel Standard allows the market and consumers to determine which fuel sources and vehicle technologies are most effective in achieving carbon emissions reductions, while driving further innovation in market segments that are more difficult to decarbonize immediately.

We commend the legislature for taking a strong approach in considering a strategy that would prioritize justice and equity by recognizing that communities impacted most by transportation greenhouse gas emissions are commonly low income communities and communities of color. To that end, we strongly support bill language that would require investor-owned electric utilities, and other participating electric utilities, to invest all net credit revenue in transportation electrification infrastructure and projects, in addition to the requirement that fifty percent of that revenue be invested in transportation electrification projects that primarily benefits disproportionately impacted communities.

As New Mexico considers strategies to reduce emissions and combat the adverse effects of climate change, a Clean Fuels Standard provides a common-sense solution to transitioning away from high-carbon fuels, while bringing greater innovation and stability to the transportation fuels market. HB 426 can help alleviate high gas prices by providing more fuel options for consumers which are not tied directly to fluctuating oil prices. A forward-looking program like a Clean Fuel Standard is a thoughtful approach that drives the transition away from traditional gasoline and diesel, while encouraging investments in cost-saving technologies³ needed to reduce pollution in all communities across New Mexico.

² Sources of Greenhouse Gas Emissions, EPA, 2020.

<https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

³ Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers, Consumer Reports, 2020.

<https://advocacy.consumerreports.org/wp-content/uploads/2020/10/EV-Ownership-Cost-Final-Report-1.pdf>

HB 426 is a critical tool that will spur innovation in American technology, help ensure equitable and sustainable economic growth, and guide the transition to a cleaner, more just transportation sector. For these reasons, we urge the New Mexico legislature to pass this important legislation.

Sincerely,

Dylan Jaff
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Cc:

The Honorable Javier Martínez, Speaker of the House
Members of the House Energy, Environment & Natural Resources Committee