New Mexico Clean Fuel Standard Act

Senate Bill 11 (SB11) creates the Clean Fuel Standard (CFS) Act to protect public health, transform the transportation economy and advance our ambitious climate goals.

How does it work?

In 2018, 14% of New Mexico’s greenhouse gas emissions were attributed to transportation - second only to emissions from the oil and gas industry. Reducing emissions from the transportation sector is achievable by focusing on fuels.

SB11 reduces the carbon intensity of the fuels used in transportation. *Carbon intensity* is a measurement of a fuel’s emissions profile that includes its production, shipping, and use.

SB11 requires a carbon intensity reduction of fuels used in New Mexico of 10% by 2030 and 28% by 2040. Between 2025 and 2040, a CFS will reduce transportation emissions by an estimated 6.8 million metric tons of CO₂ equivalent - that’s like taking over 46,000 cars off the road every year for 15 years!

The CFS Act applies to those who refine, blend, make or import fuel - not fuel retailers (i.e., gas stations). There are multiple ways to meet such a standard:
- Blending high carbon-intensity fuel with renewable options, like biodiesel and ethanol.
- Offsetting high carbon-intensity fuel with credits purchased from generators of low-carbon-intensity fuels, like hydrogen, electricity, and renewable natural gas.
- Purchasing credits from any business that reduces emissions in a measurable way.

The CFS Act is technology-neutral and harnesses market forces to spur investment in the clean economy and creates jobs in New Mexico.

How will it benefit New Mexico?

Public Health

- Healthier children and seniors - our most vulnerable New Mexicans
- Less sick days for employees and employers
- Fewer asthma attacks, heart attacks and decreased lung cancer rates
- Avoided premature deaths from cardiovascular and pulmonary complications

Economy

- Diversifies the fuel market to keep the price impact at the pump negligible
- New clean energy businesses and jobs to expand our tax base
- Transforms dairy and forest waste streams into renewable natural gas and hydrogen fuels - and valuable credits
- Benefits farmers who produce feedstock crops for biofuels
- Stabilizes our “boom or bust” economy

Environment

- Improves air quality without over-regulating our industries
- Reduces greenhouse gas emissions to meet state targets
- Promotes electric, hydrogen and alternative fuel vehicles
- Protects our outdoor recreational economy