

December 10, 2021

Claudia Borchert
New Mexico Environment Department
Harold Runnels Building
1190 St. Francis Dr. Suite N4050
Santa Fe, NM 87505

RE: Discussion Draft Bill of the New Mexico Clean Fuel Standard Act

Dear Ms. Borchert:

The Alliance for Automotive Innovation (“Auto Innovators”)¹ represents automakers that collectively produce nearly 99 percent of the new cars and light trucks sold in the United States, automotive suppliers, and technology and other automotive companies. Auto Innovators appreciates the opportunity to provide comments on the New Mexico Discussion Draft Bill of the Clean Fuel Standard Act. A clean fuel standard not only supports electric vehicles (EVs) but can also further reduce emissions from every vehicle on the road.

This is a pivotal point in the development of the EV market. Today there are nearly 60 EV models offered, and every major automaker has announced plans to substantially increase EV production. In the next four years, automakers intend to offer over 130 different EV models in a variety of market segments. However, automotive industry investments alone are not enough to increase market penetration for EVs, which in the second quarter of 2021 accounted for 1.96 percent of new vehicles sold in New Mexico.² Increasing customer demand is necessary, and time and time again studies show that purchase incentives and available charging

¹ Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. The newly established organization, a combination of the Association of Global Automakers and the Alliance of Automobile Manufacturers, is directly involved in regulatory and policy matters impacting the light-duty vehicle market across the country.

² <https://www.autosinnovate.org/posts/papers-reports/Get%20Connected%20Electric%20Vehicle%20Quarterly%20Report%20Q2%202021.pdf>

and refueling infrastructure are key to doing so. A Clean Fuel Standard can promote both of these.

In the context of climate change, market-based mechanisms are widely understood to encourage emissions reductions in the most efficient way, especially when broadly applied. Properly structured, a clean fuel standard reduces the carbon intensity (CI) of gasoline and diesel fuel either directly or by funding low CI alternatives, such as plug-in and fuel cell electric vehicles and the required infrastructure to support the use of these vehicles. A clean fuel standard is an important part of New Mexico's overall strategy to reduce transportation-related carbon emissions, providing an approach that aligns improved fuel economy with lower emission fuels. It can also provide a source of revenue for transportation-related investments and improvements.

New Mexico has set ambitious vehicle electrification goals with the adoption of Clean Cars Regulations starting in Model Year 2026. A clean fuel standard is an example of a complementary policy to help address necessary conditions to meet the state's goals. Therefore, we encourage the New Mexico Legislature to pass the Clean Fuels Act, and the appropriate agencies to initiate any necessary rulemaking as soon as possible. Additionally, when appropriate, we would welcome the opportunity to discuss options for vehicle manufacturers to participate in the program as credit generators for residential EV charging events.

Again, we thank New Mexico for the opportunity to provide feedback on this important policy and we look forward to continuing to work with New Mexico and other stakeholders to ensure that the Clean Fuels Program is a success.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dan Bowerson", with a long horizontal flourish extending to the right.

Dan Bowerson
Sr. Director, Energy & Environment