

## Cleaner fuels legislation would spark economic growth for New Mexico

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New Mexico has worked hard over the past decade to diversify its economy and become a leader in renewable technologies that are catching on in other states. The legislature passed the Energy Transition Act, which sets renewable energy targets for our utilities. The energy sector has already begun to transition away from polluting coal to wind, solar and geothermal energy plants.

New Mexico is becoming a dynamic location for renewable technologies. For example, Maxeon Solar selected Albuquerque as its site for 3-Gigawatt solar cell and panel manufacturing facility, bringing with it 1,800 new highly skilled jobs. GE just announced it will build hundreds of turbines for the largest wind project in the Western Hemisphere, with tower manufacturing in New Mexico. And Arcosa, an infrastructure manufacturer, has announced it will build a new factory in Belen, New Mexico as part of a contract for \$750 million for wind turbine towers. All this has worked well, and New Mexico should be proud of its achievements.

The logical next step is to grow New Mexico's economy with renewable fuel production facilities. We could experience a boom in new technologies to become a leader in the U.S. for low-carbon fuels production.

A bill in the legislature, the Clean Transportation Fuels Standard (HB41) would require the carbon intensity (the unit of carbon per unit of fuel) to be reduced by 20% by 2030 and 30% by 2040.

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Similar technology-neutral, market-based programs have exceeded expectations in other states. In a decade, California and Oregon have seen dramatic GHG reductions, less air pollution resulting in fewer health effects and lower associated costs, and more diverse fueling options including replacement of more than 50% of conventional diesel fuel at the pump. The fuel standard has been responsible for 77% of all carbon reductions since 2012 in California.

The well-documented environmental benefits have also come with significant new economic development. HB41 creates the same strong market incentive to entice low-carbon and renewable fuel producers to invest in New Mexico. This legislation could be a game-changer. We estimate that over 1,600 permanent jobs and \$470 million in wages would be created over the next five years, with \$240 million of investment in New Mexico's low-carbon fuels production.

Also, think about what this would mean for consumers. Rather than being subject to whatever causes the next oil price spike, fuels will have to compete for our dollars. Market competition brings prices down. Simple economics tell us that. With new fuels that are free from the whims of the world oil market, drivers will be able to opt for cheaper AND cleaner alternatives when prices rise. Claims otherwise are contradicted by actual evidence in other states.

A clean transportation fuel standard is the logical next step in New Mexico's transition to cleaner fuels and a more diverse energy economy. The transition to electric transportation will take many years, so it makes sense to lower carbon intensity in the fuels we are using now (and will continue to use for quite some time). Passing HB 41 will mean that our treasured skies are less polluted from our transportation sector. It will also establish this state as a dynamic leader in the transition to renewable fuels and reap the economic benefits that come with that.