December 10, 2021

New Mexico Environment Department
121 Tijeras Ave. NE
Albuquerque, NM 87102

Re: SUPPORT for NM Clean Fuel Standard Act

Thank you for the opportunity to provide comments on the stakeholder discussion draft bill for the New Mexico Clean Fuel Standard Act (CFS). The National Biodiesel Board (NBB) supports passage of the CFS. We believe a Clean Fuels Standard program established under this draft legislation can generate significant environmental, public health, and economic benefits for the residents of New Mexico, similar to the successful outcomes seen in California and Oregon under their clean fuels programs and which we anticipate will happen in Washington State under its recently passed Clean Fuel Standard legislation.

NBB is the U.S. trade association representing the biodiesel and renewable diesel[1] supply chain, including producers, feedstock suppliers, and fuel distributors. NBB also represents producers of a growing volume of sustainable aviation fuel. NBB has been fully supportive of efforts to address climate change at the federal and state level and has been a strong partner in California, Oregon, Washington and many other states that have developed or are exploring programs to reduce climate impacts from the use of petroleum fuels. We applaud New Mexico's efforts to reduce its greenhouse gas (GHG) emissions and believe an all-of-above approach for reducing GHG emissions, including policies that have already proven successful in California and other states, would help achieve the state's goals faster, with greater climate and air quality benefits, and at less cost. This includes policies that foster the use of low carbon fuels like biodiesel and renewable diesel in the transportation sector.

According to the California Air Resources Board (CARB), biodiesel and renewable diesel have the lowest carbon intensity scores among liquid fuels used in that state,[2] reducing GHG

[1] Biodiesel and renewable diesel are sustainable liquid biofuel substitutes for petroleum diesel; both are made from waste oils and fats such as used cooking oil, rendered animal fats, and tallow, and byproduct oils derived from protein production from soy, canola, and other crops.
[2] https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/current-pathways_all.xlsx. Carbon intensity (CI) means the sum of all significant well-to-wheel or seed-to-wheel lifecycle GHG emissions, expressed in grams of carbon dioxide equivalent per megajoule of fuel energy (g CO2e/MJ).

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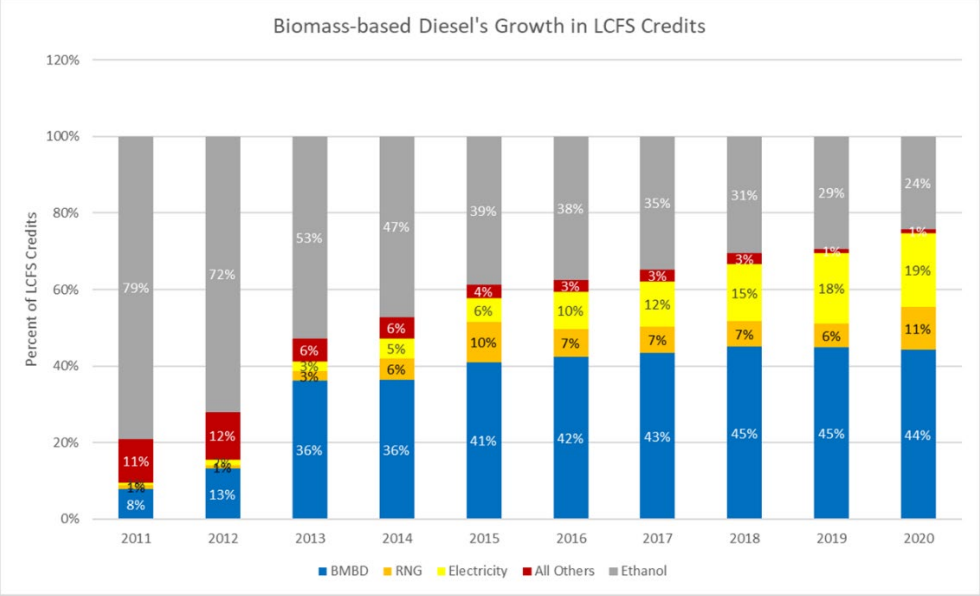
emissions by up to 80% or more. In some cases, biodiesel and renewable diesel have carbon intensity on par with electricity[3]. The low carbon intensity scores of biodiesel and renewable diesel have resulted in these drop-in diesel substitutes providing the lion's share of carbon reductions under California's Low Carbon Fuels Standard (45% of the reductions in 2018-2020, 42% overall since the start of the program in 2011, the single largest source of GHG reductions under the LCFS). In Oregon, these two fuels provided about 47% of the carbon reductions in 2020 and are projected to generate 54% the reductions in 2022. Indeed, biodiesel and renewable diesel have grown in California and Oregon from a mere 14 million gallons in 2011 to about a billion gallons in 2020, the last year with complete LCFS and CFP data. These sustainable low carbon diesel substitutes have been so successful that they now comprise 24% and 13% of every gallon of diesel fuel used in California and Oregon, respectively, and are expected to continue on a growth trajectory.



*BMBD = biomass-based diesel (biodiesel and renewable diesel)
Source: CA LCFS Q2 2021 Summary Data, https://ww2.arb.ca.gov/sites/default/files/2021-12/quarterlysummary_103121.xlsx, visited Dec. 10, 2021.

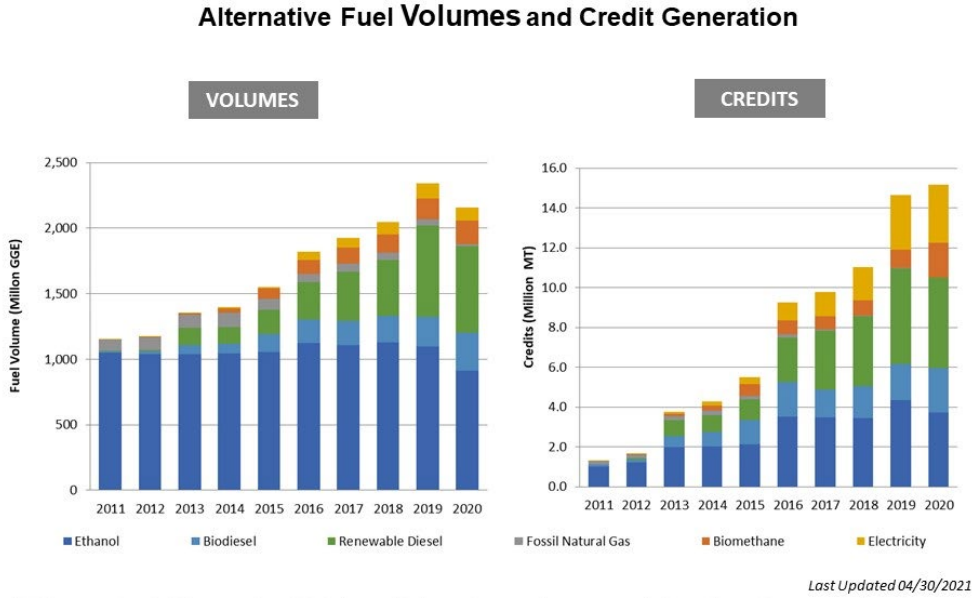
The benefits from petroleum diesel substitutes are not limited to GHG reductions. Biodiesel and renewable diesel enable deep reductions in GHG and smog-forming pollutants as well, especially particulate matter (PM) emissions which are of particular relevance to residents in disadvantaged/environmental justice (EJ) communities. Such EJ communities are often located near sites where diesel PM emissions are high (railyards, logistics, agricultural activities, etc.) and would therefore benefit greatly from near-term reductions in PM. Biodiesel and renewable

[3] See https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities and https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/tier2/elec_update.pdf.

diesel can reduce PM emissions from 50 to 80 percent, and those reductions can be achieved immediately upon use, with little to no changes in infrastructure, and at little to no extra cost to consumers (relative to petroleum distillate). Reductions in PM can provide significant benefits in terms of reduced cancer burden, premature deaths, asthma attacks, and loss of workdays.[4]

And these cleaner fuels also provide substantial economic benefits. According to a 2019 study by LMC, International[5], the 3 billion gallon biodiesel industry supports nearly 3200 jobs for every 100 million gallons of biodiesel produced, which in turn supports $245,000 in economic activity for each of those jobs. By fostering a low carbon fuels industry in New Mexico, the CFS Act can help establish and retain such economic benefits within the state.

LCFS programs have succeeded in substantially reducing GHG emissions, diversifying transportation fuel pools, providing greater consumer choices, and increasing energy security in California and Oregon. For example, California started its LCFS program in 2011 with ethanol being the primary alternative fuel to gasoline. Fast forward to 2020, and the transportation fuel pool has diversified to the extent that the alternative fuels market now encompasses high levels of biomass-based diesel, renewable natural gas, and a growing amount of electricity, attributable directly to the LCFS[6]:



The growth in alternative fuels in California and Oregon -- including electricity, hydrogen, renewable natural gas, biodiesel, renewable diesel, and other fuels -- has reduced carbon

[4] See https://www.biodiesel.org/news-resources/health-benefits-study.
[5] https://www.biodiesel.org/docs/default-source/federal-files/lmc_economic-impacts-of-biodiesel_august-2019.pdf?sfvrsn=ce27766b_2.
[6] See https://ww3.arb.ca.gov/fuels/lcfs/dashboard/dashboard.htm, visited Dec. 10, 2021.

emissions in both states by 93 million metric tons since 2011, equivalent to removing about 20 million cars off the road.

Conclusions

We applaud and support the draft New Mexico Clean Fuel Standard Act and look forward to working with your state to replicate the successful decarbonization efforts in California and Oregon.

Thank you for your consideration of these comments.

Sincerely,

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