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Ryan Kenny Senior Public Policy and Regulatory Affairs Advisor – Western U.S.



The Honorable Benny Shendo, Jr.
Chair, New Mexico Senate Tax, Business and Transportation Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

January 25, 2022

RE: SUPPORT: SB 14 (Stewart): NEW MEXICO CLEAN FUEL STANDARD ACT

Dear Senator Shendo:

On behalf of Clean Energy, I would like to express support for SB 14, the New Mexico Clean Fuel Standard Act. Our company was a foundation stakeholder since they were conceived in the respective California, Oregon and Washington clean fuel standard processes. To summarize: California and Oregon have both been a success and we expect Washington to also be successful once implemented in 2023. We believe it will be a success in New Mexico as well.

As North America's largest provider of renewable natural gas (RNG) transportation fuel with over twenty-five years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, as our portfolio includes 560 stations in 43 states. This includes a significant presence of 8 fueling stations in New Mexico.

Clean Energy's Business Footprint in New Mexico

We believe this bill will increase business and jobs in New Mexico, starting with our company's presence. Our 8 fueling stations in New Mexico serve refuse, transit and heavy-duty truck customers. This footprint, and that of the industry, should increase with the passage of this bill.

Already used as a clean, low carbon source of energy around the world, RNG is proven to be a cost-saving alternative fuel to diesel and gasoline. RNG for transportation fuel strengthens our economy with lower fuel costs, increases our energy security, and significantly benefits our environment by reducing carbon emissions and smog-forming NOx emissions by up to 300% and 99%, respectively, relative to diesel fuel.

This bill is a critical tool not only to effectively meet carbon emission reduction targets, but also as a mechanism that fosters technological innovation, supports a robust market for alternative fuels, provides long-term investment certainty and stimulates job creation and investment.

In addition, the Clean Fuel Standard could provide compliance flexibility to producers of high carbon intensity transportation fuels to either invest in low carbon alternative fuels or to purchase credits from low carbon fuel producers. This market-based program enables regulated parties to make their own choice as to whether to <u>invest in low carbon fuels directly</u> or to continue to sell purely high carbon emitting fuels.

<u>For example, California's LCFS is working</u>: it's helping deliver clean air, good jobs and clean energy choices to all Californians and has strengthened the demand for low carbon fuels. California is the fifth-largest economy in the world: we can have clean fuels and grow our economy. The Clean Fuel Standard is a powerful tool for supporting the commercialization of the fastest broad-market transitions to clean and low-carbon technologies.

Our company is a prime example of success from the California LCFS, and we look forward to continuing this success in New Mexico. **We strongly support SB 14.**

Sincerely,

Ryan Kenny

Senior Public Policy & Regulatory Affairs Advisor – Western U.S.

Clean Energy