

LFC Requester:	Austin Davidson
-----------------------	-----------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/27/2025 *Check all that apply:*
Bill Number: SB 99 Original Correction
 Amendment Substitute

Sponsor: Sen. Antoinette Sedillo Lopez **Agency Name and Code** 430 – Public Regulation Commission
Short Title: NO FUEL LESS-THAN-ZERO CARBON INTENSITY **Number:** _____
Person Writing Ed Rilkoff
Phone: (505)490-2696 **Email** jerri.mares@prc.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 99 amends Section D of New Mexico's clean transportation fuel standard program outlined below. The bill adds a new section D and renumbers the remaining section.

D. Carbon Intensity Limitation:

- Fuels cannot be assigned a carbon intensity value below zero.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

SB 99 excludes assigning carbon intensity values of less than zero to transportation fuels. This would impact projects that prevent significant carbon emissions, such as methane capture, or projects that directly capture and sequester carbon. This may reduce the participation of other transportation fuels, such as those used for vehicle electrification.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflict:

SB 4 The Clear Horizons Act establishes statewide limits on greenhouse gas emissions while SB 99 restricts transportation fuels from being assigned carbon intensity values below zero. Because carbon is a key contributor to greenhouse gas emissions, the provisions of SB 99 may have implications for the outcomes of SB 4.

SB 142 defines a “net-zero carbon resource” as an electricity generation resource that emits no carbon dioxide into the atmosphere, or that reduces methane emitted into the atmosphere in an amount equal to no less than one-tenth of the tons of carbon dioxide emitted into the atmosphere, as a result of electricity production. This definition conflicts with SB 99 which prohibits assigning carbon intensity values below zero to fuels.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The 2019 amendments to the Renewable Energy Act, Chapter 62, Article 16 NMSA 1978,

added the definition of a "zero carbon resource" to mean an electricity generation resource that emits no carbon dioxide into the atmosphere, or that reduces methane emitted into the atmosphere in an amount equal to no less than one-tenth of the tons of carbon dioxide emitted into the atmosphere, as a result of electricity production;

From a strict technical accounting of emissions, the second part of the definition means that methane from a waste digester or a landfill that is captured (reducing it being emitted to the atmosphere) can be used to generate electricity and be considered zero carbon electricity as long as the carbon dioxide emissions to methane burned to generate the electricity is less than 10 to 1. Given stoichiometric combustion of methane results in a 2.74 tons of carbon dioxide for every 1 ton of methane burned, a "zero carbon resource" (electricity generation) could co-fire captured methane (at less than 30 percent) with fossil natural gas (at more than 70 percent).

The NMED Climate Change Bureau, which is in the process of developing rule 20.2.92 NMAC, will have to rework a significant portion of that rule including Table 4 – New Mexico Statewide Carbon Intensity Lookup Table which currently lists multiple negative carbon intensity fuels.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

N/A