

<b>LFC Requester:</b>	<b>DAVIDSON</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(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:** Jan 27, 2025 *Check all that apply:*  
**Bill Number:** SB99 Original  Correction   
 Amendment  Substitute

**Sponsor:** Sedillo Lopez **Agency Name and Code** New Mexico Environment  
No Fuel Less-Than-Zero **Number:** Department 667  
Carbon Intensity **Person**  
**Writing Analysis:** Michelle Miano  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	NA		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
	NA	NA		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NA	NA	NA			

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

SB99 amends the Environmental Improvement Act to prohibit the Clean Transportation Fuel program from allowing any transportation fuel with a carbon intensity value less than zero.

#### **FISCAL IMPLICATIONS**

No fiscal implications for NMED.

#### **SIGNIFICANT ISSUES**

The Clean Transportation Fuel Program requires that NMED use a greenhouse gas emission lifecycle analysis approach to determine the carbon intensity of transportation fuels consumed in New Mexico. A lifecycle analysis determines the amount of carbon dioxide equivalent emitted during the full production and use of the transportation fuel, often referred to as well-to-wheel emissions. Transportation fuels may have a less-than-zero lifecycle carbon intensity if the source of the transportation fuel captures a waste product that emits greenhouse gases, such as methane from a wastewater treatment plant, a landfill, or animal waste, and uses low-emission energy sources to convert the product into a transportation fuel. Under the program, these sources avoid or lessen greenhouse gases emissions that would otherwise occur and prohibiting the use of carbon intensities with less-than-zero in the program would not allow for a full accounting for greenhouse gas emission lifecycles of transportation fuels.

Prohibiting less-than-zero carbon intensities in the program would make New Mexico's program significantly different from those in other states; the three other states with similar low-carbon transportation fuel programs recognize that calculating a transportation fuel a carbon intensity score that includes avoided emissions (typically methane) is a well-established, scientific practice.

#### **PERFORMANCE IMPLICATIONS**

None.

#### **ADMINISTRATIVE IMPLICATIONS**

NMED may petition the Environmental Improvement Board with the Clean Transportation Fuel Program rule before the conclusion of this Legislative Session.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

#### **TECHNICAL ISSUES**

N/A

#### **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Not enacting SB99 will allow the Clean Transportation Fuel Program the flexibility to, when merited by the review and approval of the appropriate life cycle data, assign a negative carbon intensity value for a transportation fuel that converts a waste product with greenhouse gas emissions into a transportation fuel.

## **AMENDMENTS**

N/A