



Good for the Economy.
Good for the Environment.

August 17, 2023

Governor Michelle Lujan Grisham
New Mexico Environmental Department Improvement Board
Pamela.Jones@state.nm.us
Albuquerque Bernalillo County Air Quality Control Board aqd@cabq.gov

Cc:

Secretary James Kenney, NMED james.kenney@env.nm.gov
Director, Environmental Protection Division, NMED Michelle Miano
michelle.miano@env.nm.gov
Director, Environment Health Division, NMED Lauren Reichelt
lauren.reichelt@env.nm.gov
Secretary of the Environment: Madai Corral madai.corral@env.nm.gov

RE: Business Support for Adopting ACCII, ACT, and HDO Standards Through a Joint Rulemaking in 2023

Dear Honorable Michelle Lujan Grisham, NM Environmental Improvement Board, and Albuquerque Bernalillo County Air Quality Control Board,

As members and supporters of E2 (Environmental Entrepreneurs), we request the administration adopt the Advanced Clean Cars II (ACCII), Advanced Clean Trucks (ACT), and Heavy-Duty Omnibus (HDO) standards through a joint rulemaking in 2023. These Clean Cars II and Truck standards will set New Mexico on a pathway towards decarbonization of all on-road transportation, improving air quality, protecting public health, and reducing climate change impacts while generating significant economic benefits for all New Mexicans.

E2 is a national, non-partisan network of business leaders, investors and other professionals who advocate for smart policies that are good for the economy and good for the environment. Our members have founded or funded more than 2,500 companies, created more than 600,000 jobs, and collectively manage more than \$100 billion in venture and private equity capital.

Adopting the Clean Car and Truck standards in a joint rulemaking in 2023 would be the most effective way to capture the maximum environmental, public health and economic benefits of these regulations. Transportation is the second-largest source of greenhouse gas (GHG) emissions in New Mexico, and rapid decarbonization of all on-road transportation is one of the most effective strategies the state has, to reach Governor

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Lujan Grisham's goal of reducing GHG emissions "at least 45% by 2030 as compared to 2005 levels."

Strong GHG reduction rules for the transportation sector will drive further job growth in New Mexico's clean economy by creating the policy signals and market structures needed to foster investment and innovation. By the end of 2021, New Mexico's clean energy sector employed 12,014 workers — an increase of 8.1% from the previous year and the highest rate of clean tech job growth in the country. This strong growth was mainly driven by an increase in clean transportation. The state is home to nearly 1,000 jobs in the advanced vehicle industry, including technological innovation in lightweight materials, engine design, aerodynamics, and electric vehicles (EV). This success to date only scratches the surface; with smart, targeted policies, New Mexico can be a national center for innovation and high-tech manufacturing in this sector.

Furthermore, each of the Clean Car II and Truck standards generates net economic benefits, not just from monetizing the benefits of reduced greenhouse gas emissions and other air pollutants, but also by delivering cost savings directly to individuals and businesses through reduced fuel costs, reduced need for vehicle maintenance, and downward pressure on electricity rates.

New Mexico routinely experiences poor air quality, in cities, towns and across the state. Toxic, local air pollution caused by internal combustion engines pose a significant risk to public health—and therefore considerable economic costs in the form of additional hospital visits and healthcare expenses, decreased work productivity, missed workdays, and more. In fact, a robust economy is predicated on a healthy workforce and a healthy consumer population. Public health impacts from our transportation sector must be mitigated by these new rules to protect New Mexico's citizens and economy.

We also know the climate emergency is a business risk and New Mexico's economy is increasingly vulnerable to climate-related disasters. Ongoing droughts affect agriculture and disrupt corporate supply chains and wildfires are devastating entire communities and causing economy-wide impacts. As Transportation is the second second-largest source of GHG emissions, it is essential these smart standards are employed to ensure our climate actions rise to the moment.

Long-term standards and policy are essential to ongoing innovation and job growth, and to further strengthen the manufacturing sector in New Mexico. As business leaders who are creating jobs and driving economic growth in the state, we urge you to act expediently on the Clean Cars II and Truck standards with complete adoption no later than the end of 2023. Adoption in 2023 will ensure New Mexico begin the program in the first year possible and will reap the full benefits to cut pollution and expand new and innovative technologies. We thank you for your ongoing leadership on climate and clean

technology opportunities in New Mexico and look forward to supporting this joint rulemaking process in 2023.

Respectfully yours,

E2 Mountain West Chapter Members & Supporters

Edie Dillman
CEO & Co-Founder, B.PUBLIC Prefab

Robert Truckner
Physician MD, MPH

Ward Hendon
Managing Partner, Dangerous Ventures

Glenn Schiffbauer
Executive Director, Santa Fe Green
Chamber of Commerce

Walt Vernon
CEO, Mazzetti Nash Lipsey Burch

Sandra McCardell
President, Current-C Energy Systems, Inc.

Victor Johnson
Patent Attorney

Trace Kliphuis
CEO, EnviTrace LLC

Shaun Paul
CEO, Ejido Verde