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New Mexico Environmental Improvement Board Harold L. Runnels Building 1190 St. Francis Drive, Suite N4050 Santa Fe, New Mexico 87505 % Pamela.Jones@env.nm.gov

Albuquerque/Bernalillo County Air Quality Control Board Environmental Health Department 1 Civic Plaza NW - 3rd Floor, Room 3023 Albuquerque, NM 87102

Dear Members of the New Mexico Environmental Improvement Board and Albuquerque/Bernalillo County Air Quality Control Board,

As vehicle manufacturers, infrastructure providers ready to deploy zero-emission technologies in New Mexico, as well as major businesses, institutions, employers, investors, and business groups with significant investments in the state, we write to express our strong support for adoption of the Advanced Clean Trucks (ACT) and Heavy-Duty Omnibus (HDO) rules in New Mexico before the end of 2023.

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 your goal of reducing greenhouse gas emissions "at least 45% by 2030 as compared to 2005 levels."

New Mexico can generate \$3.3 billion in public health, environmental, and economic benefits and avoid more than 28,000 respiratory illnesses by 2050 by transitioning to zero-emission electric trucks, according to an <u>analysis</u> that evaluated the impact of adopting the Clean Truck Rules. In addition to the environmental and public health benefits, the analysis found that adopting the

Clean Truck Rules can lead to significant fuel and maintenance cost savings for trucking companies, lower electric bills for all consumers, and attract over \$1.4 billion in investments for in-state infrastructure.

The ACT rule is designed to reduce costs of zero-emission MHDVs by requiring manufacturers to increase model availability, which helps meet the needs of fleet operators across multiple vehicle classes and further develops the market for these vehicles in our state. The ACT rule will also drive investment in clean transportation research and development. We expect that adopting the ACT rule will enable cost-effective electrification of MHDVs at the pace and scale needed to meet climate and air quality goals, while delivering public health and economic benefits for communities and businesses alike.

Meanwhile, the HDO rule will reduce dangerous air pollution from new combustion trucks and encourage manufacturers to produce more durable vehicle parts. Adopting HDO will result in significant public health cost savings before there is a full-scale transition to zero-emission vehicles sales, while reducing maintenance costs for fleets.

By 2050, the ACT and HDO rules would prevent 28,065 minor health cases related to air pollution, 46 hospital visits, and 51 premature deaths. The rules will cause fewer instances of respiratory illness, missed days of work, and hospitalizations, which will increase personal disposable income and help reduce the financial pressure on our healthcare system. These impacts cross state lines, just like the MHDVs in our fleets and value chains.

Improving air quality not only benefits public health and communities but also proves to be economically sound. The Clean Trucks Rules will <u>stimulate New Mexico's economy</u>, growing GDP by \$84 million by 2035, supporting hundreds of high-paying jobs, and attracting local infrastructure investments.

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.

Increased access to cost-effective zero-emission MHDVs will allow us to remain competitive in a market where our customers, investors, patients, and employees increasingly expect us to lead on sustainability. Low- and zero-emission vehicles offer significant cost savings through lower fuel and maintenance costs and reduce the risks associated with the volatility of fossil fuel prices and supply. By 2050 annual cost savings for New Mexico fleets are estimated to be \$279 million. MHDV

electrification will support domestic innovation and investment in clean technology manufacturing—creating new domestic jobs, cutting costs for our value chains, mitigating climate risk, improving public health, and reducing healthcare costs.

However, MHDV electrification still faces significant challenges due to higher upfront costs and battery range. Market-enabling policies like the ACT and HDO rules will rapidly accelerate the longterm cost savings, climate, and clean air benefits of MHDV electrification, while spurring widespread deployment of charging stations that will support MHDVs. The more states that adopt ACT and HDO rules, the greater the market-forcing benefits, thereby lowering costs and creating a more stable and self-sustaining market.

We strongly support adoption of the ACT and HDO rules in New Mexico to accelerate MHDV electrification, help the state meet the goals outlined in your <u>Executive Order 2019-003</u>, allow both manufacturers and fleet operators to capture savings from economies of scale, and provide more cost-effective emissions reductions.

Respectfully,

ABB E-mobility BYD Motors Eaton EVgo Highland Electric Fleets Kleanbus Lion Electric Nikola Proterra Rivian Siemens TeraWatt Infrastructure Zeem Solutions