



New Mexico Environmental Improvement Board
Harold Runnels Building
1190 St. Francis Drive
Suite 2102
Santa Fe, NM 87505

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SUBMITTED ELECTRONICALLY AT: <https://nmed.commentinput.com/?id=Q7EpmKPeC>

**Re: EIB 25-23: In the Matter of Proposed Adoption of 20.2.92 NMAC–Clean
Transportation Fuel Program (“CTFP”)**

Rivian Automotive, LLC, (“Rivian”) appreciates the opportunity to submit comments in proceeding EIB 25-23 regarding the proposed adoption of 20.2.92 NMAC to establish a CTFP in New Mexico.

Rivian has long supported efforts to establish a CTFP in New Mexico and we applaud the leadership of the New Mexico Environment Department (“NMED”) in developing the state’s proposed new policy. Rivian participates in CTFP-like programs in other U.S. states as a public charging provider, fleet operator, and manufacturer of EVs that generate program value through residential charging. We look forward to participating in the CTFP in New Mexico once implemented.

Overall, Rivian strongly supports the proposed adoption of the CTFP and encourages the Environmental Improvement Board (“EIB”) to move swiftly in favor of the proposal, but with two key modifications.

- First, the proposal should not limit residential charging credit generation to vehicles sold only via auto dealers licensed by the state Taxation and Revenue Department. This would presumably and unfairly prohibit electric vehicle (“EV”) manufacturers like Rivian, who operate a direct-to-consumer sales model, from participation. Under current New Mexico law, Rivian is prohibited from securing



dealer licenses in the state. To ensure fairness and to maximize the benefit of this provision of the CTFP, NMED should not restrict automaker participation based on the use of a traditional dealer model. Rather, any and all residential charging activity in New Mexico should be eligible to generate residential credits, regardless of how those EVs were sold.

- Second, the final regulation should not impose geographic restrictions on earning fuel supply equipment (“FSE”) pathway credits.

New Mexico is fortunate to be developing its policy with the aid of lessons learned from other jurisdictions. The example of peer policies demonstrates the importance of providing for capacity-based infrastructure credits and allowing all automakers the potential to earn residential charging credits. We applaud NMED for including both concepts in the proposed regulation but find that there is still room for improvement in the final regulatory language to maximize the benefits of the CTFP

About Rivian

Founded in 2009, Rivian is an independent American company with over 14,000 employees—most of whom are in the U.S. Rivian’s mission is to Keep the World Adventurous Forever. Rivian focuses on the design, development, manufacture, and distribution of all-electric adventure vehicles, specifically pickups, sport utility vehicles (“SUVs”), and commercial vans. We assemble all of our vehicles at our manufacturing site in Normal, Illinois. We recently broke ground on a second manufacturing site in Georgia on September 16, 2025.

Rivian brought the first modern electric pickup to market in 2021 when we launched the **R1T**, followed shortly thereafter by the **R1S** SUV and the EDV commercial van for Amazon. The **R1T** and **R1S** provide all-electric options in segments where added utility is a necessity. The **R1T** has an EPA-certified range of up to 420 miles. The **R1S** is certified at up to 410 miles. The truck also features 11,000lbs of towing capacity, while the **R1S** is a seven-passenger full-sized SUV. Both are well-equipped for off-roading with all the utility expected in full-sized SUVs and pickups. Separately, our Class 2b commercial vans are particularly well suited to last-mile delivery applications. Rivian is committed to producing 100,000 vans for our launch customer, Amazon, with more



than 20,000 already in service in 800+ U.S. cities. The van is now also available for purchase by other fleets. Next year, Rivian will launch a new midsize model, **R2**, offering similar capabilities as the R1 at a substantially lower price point. Beyond our vehicle lineup, Rivian is also building a network of DC fast chargers across the country known as the Rivian Adventure Network (“RAN”). Our first RAN site in New Mexico will open soon in Albuquerque.

Rivian Supports the Proposed Adoption of the CTFP but Urges Two Key Modifications to the Regulation

A clean fuels policy is a proven emissions reduction tool and a powerful enabler of transportation electrification. Clean fuels policies have been in force in other jurisdictions for many years, demonstrating both their value and opportunities for improvement that exist for new policies established with the experiences of other states in mind. Rivian appreciates NMED’s hard work in developing this proposal and believes that, overall, the regulation before the EIB will reduce emissions and grow the market for alternative fuels, such as electricity, in New Mexico.

The Proposal is Strong in Several Respects

To that end, Rivian welcomes certain aspects of the discussion draft, including the following.

- **FSE pathway credits.** New Mexico has ambitious EV goals and sales requirements that will require significant investment in EV charging. Unfortunately, the economics of public charging stations, in particular, can be quite challenging while EV market share and charger utilization are low. Programs like the CTFP can help address this challenge, particularly when they make capacity-based credits available. Capacity-based credits are a proven tool for accelerating investment in charging infrastructure and Rivian applauds



NMED for including provisions for a capacity credit pathway in the draft, though certain details about the eligibility criteria should be improved (more on this below).

- **Unique EERs.** Use of EERs is standard practice in clean fuels programs. Adjusting for powertrain efficiency is crucial for accurately calculating the real-world displacement of fossil fuels achieved by the policy and thus its contribution to statewide emissions reductions targets. However, in the case of light-duty EVs, existing policies in the United States rely on an outdated EER value of 3.4 stemming from a determination originally made by the California Air Resources Board in 2011.¹ Rivian appreciates the proposal to allow entities to apply for use of a unique EER through the Tier 2 pathway. EV manufacturers have made substantial improvements to EV efficiency. Having the opportunity to apply for an EER that better reflects those improvements will allow manufacturers and NMED to fully capture the true role EVs play in decarbonizing the transportation fuel pool in support of CTFP objectives.
 - To maximize the benefits of these provisions, NMED should consider whether all EV manufacturers have the opportunity to participate in the CTFP as credit-generating entities. Without opportunities to participate in and generate value for the CTFP, it seems unlikely that EV manufacturers would submit Tier 2 EER applications (more on this below).
- **Potential opportunity for EV manufacturers to earn a share of residential credit generation.** Rivian applauds language that establishes “eligible” vehicle manufacturers as a generator of residential EV charging credits stemming from 35 percent of the electricity dispensed to EVs produced by that manufacturer (subject to certain sales conditions). Rivian has long advocated for automakers to have a role in earning residential credits due to the superior accuracy and coverage of our charging data, the incentive it provides to manufacturers to increase EV sales, and the unique position our industry is in to meaningfully

¹ California Air Resources Board, Appendix A: Proposed Regulation Order, October 26, 2011, available at www.arb.ca.gov/sites/default/files/barcu/regact/2011/lcfs2011/lcfsappa.pdf.



reinvest credit revenue. With this provision, EIB is poised to take a big step forward in how clean fuels policies are designed for maximum electrification benefit.

Two Key Modifications Can Strengthen the Proposed Regulation Further

Nonetheless, we find that at least two key changes are necessary to maximize the benefits of the proposed regulation in New Mexico. We respectfully urge EIB to direct NMED to make the following modifications in the final regulatory language implemented as part of 20.2.92 NMAC.

- **Remove the requirement that automakers administer sales through a dealer licensed by the Taxation and Revenue Department in order to qualify for residential credit generation.** The regulatory text before the EIB requires that, in order to be eligible to earn base credits, each vehicle manufacturer shall “administer sales through a dealer licensed” by the state. This would appear to prohibit EV manufacturers like Rivian, who operate a direct-to-consumer sales model, from participation and creating value under the program for the state of New Mexico. This is because under current New Mexico law, Rivian and other direct-to-consumer manufacturers like it are prohibited from securing dealer licenses in the state.

For a technology-neutral policy, this raises an obvious fairness issue. The regulation as proposed would bar certain manufacturers from participation based not on any measure of carbon intensity (“CI”) and their effectiveness at improving the CI of transportation fuels, but rather as a function of an entirely distinct business decision regarding how to sell vehicles to the public. More than this, the proposal also undermines the CTFP’s goals by artificially and arbitrarily limiting the universe of potential credit generation. For these reasons, it is problematic on principle and not in the public interest.



EIB can direct NMED to redress this concern by simply striking the proposed text in question. Rivian respectfully recommends that, in the final regulation, NMED remove Section 20.2.92.403 C.(1)(b)(iii).

- **Ease restrictions for FSE pathway applications.** Capacity-based crediting for EV infrastructure is a powerful tool and Rivian appreciates NMED's proposal to create a pathway in the CTFP. While we appreciate efforts to reasonably limit credit generation from this pathway to avoid a credit glut, Rivian is concerned about the proposed prohibition on FSE credit generation from more than one FSE serving the same vehicle-duty type and fuel type in the same zip code.

This provision does not appear to account for variations in population density and vehicle use across the state that might warrant investment in – and regulatory incentives for – multiple EV fast-charging sites in a given zip code. It would also seem to undervalue the reality that when multiple networks and sites co-locate in a zip code healthy competition ensues, with the potential for better outcomes for drivers across all dimensions of the charging experience.

If the overriding concern is to avoid a glut of capacity credits, Rivian believes that NMED has already provided for the necessary solutions. The other proposed restrictions, including the per-site lifetime credit cap and an aggregate cap on credits available via the pathway, are sufficient on their own to reasonably limit FSE credit generation.

To the extent that NMED is motivated to incentivize fast charging investments across the state and not just in urban areas, we respectfully recommend consideration of enhanced incentives in priority regions that could better achieve the agency's objectives. For example, NMED could award additional capacity credits via a multiplier for FSE applications located in, for example, Census-designated rural areas or communities identified by the federal Inflation Reduction Act as disadvantaged.

If NMED proceeds with the proposal as drafted, timely updates to a publicized application queue will be vital for providing applicants with the information



necessary to weigh the benefits of an FSE pathway application in a given zipcode.

Additional Considerations

- **Require EDUs to invest any credit revenue they might generate in an EV purchase rebate.** While the draft requires EDUs to reinvest their credit revenue in certain transportation electrification projects as identified by NMAC 17.9.574.11(B), Rivian is concerned that the project list is not well enough defined to ensure that investments have a meaningful impact on EV market growth in New Mexico. Clean fuels policies are intended to be market-based systems that create incentive structures for private sector entities to make investments that result in the increased use of clean transportation fuels. In the case of EVs, one of the most critical entities in the value chain is the driving public. It is therefore particularly important that any projects funded by EDUs be highly visible to EV buyers, be implemented at scale, and directly support EV sales. The clearest way to achieve these objectives would be to require that EDUs use any credit revenue they might generate to fund an on-the-hood EV purchase incentive.
- **Simplify REC Eligibility for Purposes of Electricity Book-and-Claim.** Rivian welcomes provisions in the regulation to allow for the use of offsite renewable electricity via book-and-claim to report zero-CI electricity used as a transportation fuel. However, New Mexico can simplify the eligibility criteria for associated renewable electricity. Currently, the regulation would require that production occur in the same eGRID subregion as the dispensing activity. But New Mexico is covered by portions of several eGRID subregions, which could significantly complicate and increase costs of REC procurement by participating entities. We believe a simpler and more impactful approach would be to allow RECs from projects sited directly in New Mexico or that *transmit* directly into an eGRID region that covers New Mexico territory. This would allow a company like Rivian to make a large investment in a single project somewhere



in the eligible territory that delivers maximum additional renewable generation to the grid as a whole.

Thank you for the opportunity to comment on the proposed CTFP regulation. We support a CTFP in New Mexico and appreciate the hard work of NMED staff in developing the proposal and applaud key provisions in the proposed regulatory language. With select modifications at this stage,,New Mexico will better achieve its goals and establish a regulation that is a model for other states across the country. We respectfully urge the EIB to adopt a CTFP with the above modifications.

Please contact me with any questions and thanks again to the EIB for this opportunity to provide input. We look forward to the conclusion of this rulemaking process and participating in New Mexico's CTFP.

Sincerely,

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