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November 4, 2025

Environmental Improvement Board
New Mexico Environment Department

Scout Motors Inc. Comments on EIB 25-23(R): Clean Transportation Fuel Program

Dear Members of the Board,

On behalf of Scout Motors Inc. ("Scout Motors"), thank you for your work to establish a Clean Transportation Fuel Program ("CTFP") in New Mexico. Incentivizing the use of low-carbon fuels—including electricity—is essential to ensure states achieve their carbon reduction goals while also providing consumers with greater fuel choices for their vehicles.

Scout Motors was established in 2022 as an independent American startup to revitalize the iconic Scout vehicle brand through the introduction of all-new, electrified, off-road capable trucks and sport utility vehicles ("SUV"). Scout vehicles will include both full battery-electric vehicles as well as extended range electric vehicle variants for each of its Traveler (SUV) and Terra (pickup truck) models, providing its customers with the choice of two different technologies: one that is fully electric and one that retains an on-board engine to power electric operations when access to external charging is limited. These vehicles will be assembled in Blythewood, South Carolina, where our manufacturing facilities are nearing completion and are targeted for production starting in late-2027. And as an innovative, new vehicle manufacturer, Scout Motors has made a strategic decision to sell directly to our customers through retail locations in states that permit direct sales.

As a new manufacturer of electrified vehicles, Scout Motors is excited to participate in the CTFP and other similar programs throughout the country. However, under the September 2, 2025 draft of CTFP updates—Revised Proposed New Rule 20.2.2.92 NMAC—Scout Motors and other direct sale manufacturers would be unable to earn credits on electricity dispensed to their customers' vehicles when charged at their residences. Specifically, proposed NMAC 20.2.403(C)(1)(b)(iii) expressly limits program eligibility to manufacturers that administer sales through a state-licensed dealer, but the state prohibits direct sale manufacturers from obtaining their own dealer license (per NM Stat § 57-16-5). So, manufacturers that do not operate through franchised dealers are effectively cut out.

Limiting CTFP credits to vehicles purchased through in-state retailers runs counter to the underlying goal of the CTFP: reduce the carbon intensity of fuels consumed in the state. This credit eligibility limitation is especially detrimental to New Mexico's low carbon fuels initiative because 1)

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over half of all electric vehicles come from direct sale manufacturers¹ and 2) upwards of sixty-six percent of car dealerships nationwide do not have electric vehicles available for sale.² While Scout Motors anticipates strong demand for our product from New Mexicans despite New Mexico's direct sales prohibition, we believe that opening CTFP credit revenue to all manufacturers will further accelerate electrification throughout the state. As such, we request that proposed NMAC 20.2.403(C)(1)(b)(iii) be eliminated as a criterion for CTFP credit generation eligibility as it is contrary to the primary goal of the program.

Thank you for your work on this important rule. Please do not hesitate to reach out to us if we can be of service to the state.

Regards,

Blair Anderson
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Scout Motors Inc.

¹ Edmunds, "What is the percentage of electric cars in the U.S.?", Mar. 31, 2025, *available at* <https://www.edmunds.com/electric-car/articles/percentage-of-electric-cars-in-us.html?msocid=3c445d59433c64d01ee04b1942a56570>.

² Sierra Club, "A Nationwide Study of the Electric Vehicle Shopping Experience," May 2023, *available at* <https://www.sierraclub.org/sites/www.sierraclub.org/files/2023-05/SierraClubRevUpReport2023.pdf> (citing a 2022 nationwide survey of auto dealers).