

San Francisco Soil and Water Conservation District (Howard  
Hutchinson)



**San Francisco Soil and Water Conservation District**  
P.O. Box 119 – Glenwood, New Mexico 88039  
575-539-2593

October 29, 2025

Before the New Mexico Environmental Improvement Board

Concerning EIB 25-23 (R) - In the Matter of Proposed Adoption of 20.2.92 NMAC Clean Transportation Fuel Program

Chair and Members of the Board,

These comments are being submitted by the San Francisco Soil and Water Conservation District (District). We appreciate the opportunity to submit comments regarding proposed legislation establishing a Clean Transportation Fuel Program. We are concerned that the proposed standards will increase the costs of conservation projects beyond our fiscal capacities.

The stated purpose of the proposed standards is reduction or removal of greenhouse gas emissions from transportation fuels. In reality the resulting outcome will lead to the creation of a carbon credit market.

These standards calculate “carbon intensity” for each fuel, expressed as grams of carbon dioxide equivalent per megajoule of fuel energy, with one kilowatt-hour equaling 3.6 megajoules. Using this metric, the state would assign carbon intensity values to fuels and set reduction standards accordingly.

New Mexico’s proposal mirrors laws already enacted in California, Oregon, and Washington, requiring reductions in the carbon intensity of transportation fuels by at least 20 percent below 2018 levels by 2030 and 30 percent below those levels by 2040.<sup>1</sup>

To make these determinations, the standards rely on the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET)<sup>2</sup> model, developed by Argonne National Laboratory with funding from Breakthrough Energy through the American Academy of Science and the U.S. Department of Energy.

### **Economic Impacts and Market Mechanisms**

Under this system, companies that produce or import fuels with carbon intensities exceeding the standards must purchase credits to offset those excesses. Proponents argue that subsidies for biofuels and other low-carbon alternatives will mitigate the resulting cost increases to the public. However, testimony during the legislative hearings, opponents projected fuel price increases of 40 to 80 cents per gallon, even after subsidies.

Support for this approach comes largely from major oil companies, electric utilities, and alternative energy producers. These supporters are positioned to profit from trading credits or receiving subsidies. While the stated goal is environmental protection, the practical outcome is likely to be higher consumer costs and the creation of a speculative credit market that benefits large corporations rather than average citizens.

### **Performance and Practicality of Alternative Fuels**

Biodiesel is touted as a model clean fuel. However, petroleum diesel continues to outperform biodiesel in key metrics such as energy density, performance in cold climates, and fuel efficiency.

---

<sup>1</sup> HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR HOUSE BILL 41 56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024, Page 8, Line 18

<https://www.nmlegis.gov/Sessions/24%20Regular/bills/house/HB0041JCS.pdf>

<sup>2</sup> <https://greet.anl.gov/greet.models>

Diesel engines operate with higher thermal efficiency and better fuel economy due to higher compression ratios that convert more energy into mechanical work. These properties make diesel the preferred choice for heavy-duty trucks, construction equipment, and agricultural machinery<sup>3</sup>—sectors essential to our economy. By contrast, 100 percent biodiesel (B100) is costly to produce, gels in cold weather, and provides lower energy output per gallon. The more common B5 blend (5% biodiesel) and B20 blend (20% biodiesel) are less problematic but still fall short of petroleum diesel's performance.

The Argonne National Laboratory estimates that B100 produces 74 percent fewer greenhouse gas emissions than petroleum diesel over its lifecycle. This figure assumes that carbon dioxide emitted during combustion is fully offset by soybean feedstock growth. Such assumptions do not account for the land use changes or increased acreage required to meet total demand if biodiesel were to replace petroleum diesel entirely and are somewhat deceptive since the tailpipe emissions are close to the same from burning B5 blend or petroleum diesel.

### **Regulatory Progress and Existing Reductions**

It is important to note that diesel emission reductions have already been substantially achieved through previous federal regulation. Beginning in 1996, the U.S. Environmental Protection Agency (EPA) implemented a tiered system of emission limits for diesel engines. These rules ultimately reduced nitrogen oxides (NOx) and hydrocarbons by over 90 percent through improved engine design and cleaner fuel formulations.<sup>4</sup>

Given these advances, the proposed “clean fuel” mandates may offer minimal additional environmental benefit while imposing significant economic burdens on consumers and small businesses.

### **Concerns About the Broader Policy Agenda**

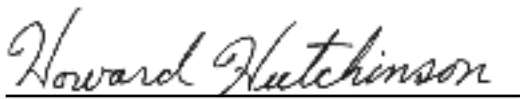
Beyond the technical and economic flaws, this standards fit into a broader “bait and switch” pattern. The public is told these policies will reduce global warming and promote sustainability, but in practice, they establish financial instruments and control mechanisms—such as carbon trading markets that benefit well-connected entities while leaving working families to absorb higher costs.

Organizations such as Breakthrough Energy<sup>5</sup>, founded by Bill Gates, advocate for achieving net-zero emissions by 2050 through large-scale investment and global coordination. While innovation and technological progress are laudable goals, the current model appears designed to generate profit and political leverage rather than measurable environmental improvement.

### **Conclusion**

In summary, the Clean Fuels Standards represent a well-intentioned but deeply flawed approach. It relies on complex computer modeling, uncertain assumptions, and market mechanisms that will inflate fuel costs and reduce energy reliability without meaningfully improving environmental outcomes.

The District urges the Board to consider the real-world economic, conservation and agricultural impacts, the existing success of diesel emission regulations, and the potential unintended consequences of carbon credit markets before adopting the Clean Transportation Fuel Program.



Howard Hutchinson, Chairman

---

<sup>3</sup> National Bio Diesel Board Biodiesel vs Diesel: Understanding the Key Differences Posted on 11/25/2023 by Julio Resendez <https://www.biodieselfoundation.org/biodiesel-vs-diesel/>

<sup>4</sup> A Comparative Analysis of Biodiesel and Diesel Emissions, WORCESTER POLYTECHNIC INSTITUTE, April 28, 2015, Page 30 <https://core.ac.uk/download/pdf/212991944.pdf>

<sup>5</sup> <https://breakthroughenergy.org>