

## Transportation and Land Use Technical Work Group

### Draft Policy Option: TLU-4 Alternative Fuels Bundle

*Includes these options from the Policy Matrix:*

*Passenger Sector Measures*

*(1.2.1) Low-GHG Fuel Standards*

*(1.2.2) Low-GHG Fuel for Public and/or Private Fleets*

*(1.2.3) Promote Expansion/Availability of Low-GHG Fuels*

*(1.2.4) Expand Alternative Fuel Infrastructure Development*

*Freight Measures*

*(2.2.1) Promote and/or Require Low-sulfur Diesel*

*(2.2.2) Low-GHG Fuel Standards*

*(2.2.3) Promote Expansion/Availability of Biodiesel, CNG*

1. Policy Description:

- a. Lay description of proposed policy action: Expand the availability and use of alternative fuels for transportation in New Mexico. This should include biodiesel, ethanol, electricity, and renewable hydrogen fuels. Also, expand the use of zero emission vehicles for transportation in New Mexico. Such vehicles would primarily utilize electricity and hydrogen made from verifiable renewable resources (i.e., solar, wind, and biomass generation).
- b. Policy Design Parameters:
  - i. Implementation level(s) beyond BAU: The goals for this policy should be phased in as follows to utilize biofuels to replace the specified percentages of gasoline and diesel consumed for transportation throughout New Mexico by year the specified year:

Phase	Percentage of Gasoline to be Replaced by Biofuels	Percentage of Diesel to be Replaced by Biofuels	Year
1	10%	2%	2009
2	20%	20%	2012
3	30%	30%	2030
4	40%	40%	2040

The goals for zero emission vehicles are as follows: 1) replace 5% of vehicle miles traveled from light-duty vehicles in New Mexico with zero emission vehicles by 2010; 2) replace 10% of vehicle miles traveled from light-duty vehicles with zero emission vehicles by 2015; and 3) replace

20% of vehicle miles traveled from light-duty vehicles with zero emission vehicles by 2040.

- ii. Timing of implementation (see above)
  - iii. Implementing parties: State of New Mexico, fuel retailers, fuel wholesalers, business owners, car dealers, private vehicle owners
  - iv. Other
- c. Implementation Mechanism(s): Indicate which mechanisms are to be used, and describe the specific approach that is proposed
- i. Information and education: Use information and education outreach to focus on voluntary methods of alternative fuel expansion and on incentives and cost benefits of zero emission vehicle acquisition. In addition, include mandated policy mechanisms.
  - ii. Technical assistance
  - iii. Funding mechanisms and or incentives: Pursue DOE and State funding for more alternative fuel pumps throughout the State and for introducing appropriate infrastructure throughout the State. Existing multifuel pump in Santa Fe provide model for dispensing three alternative fuels: B20 biodiesel, E85 ethanol, and E10.
  - iv. Voluntary and or negotiated agreements
  - v. Codes and standards
  - vi. Market based mechanisms
  - vii. Pilots and demos:
  - viii. Research and development: Pursue in-state biofuels production from a variety of sources.
  - ix. Reporting
  - x. Registry
  - xi. Other?

2. BAU Policies/Programs, if applicable:

- a. Description of policy/program #1
- b. Description of policy/program #2
- c. Etc.

3. Types(s) of GHG Benefit(s):

- a. CO<sub>2</sub>
- b. CH<sub>4</sub>

- c. N<sub>2</sub>O
  - d. HFC's, SFC's
  - e. Black Carbon
4. Types of Ancillary Benefits and or Costs, if applicable:
  - a. Example #1
  - b. Example #2
  - c. Etc.
5. Estimated GHG Savings and Costs Per MMTCO<sub>2e</sub>:
  - a. Summary Table of:
    - i. GHG potential in 2012, 2020, 2050
    - ii. Net Cost per MMTCO<sub>2e</sub> in 2012, 2020, 2050
  - b. Insert Excel Worksheet showing summary GHG reduction potential and net cost
6. Data Sources, Methods and Assumptions:
  - a. Data Sources
  - b. Quantification Methods
  - c. Key Assumptions
7. Key Uncertainties if applicable:
  - a. Benefits
  - b. Costs
8. Description of Ancillary Benefits and Costs, if applicable:
  - a. Description of issue #1
  - b. Description issue #2
  - c. Etc.
9. Description of Feasibility Issues, if applicable:
  - a. Description of issue #1
  - b. Description of issue #2

c. Etc.

10. Status of Group Approval:

- a. Pending
- b. Completed

11. Level of Group Support:

- a. Unanimous Consent
- b. Supermajority
- c. Majority
- d. Minority

12. Barriers to consensus, if applicable (less than unanimous consent):

- a. Description of barrier #1
- b. Description of barrier #2
- c. Etc.