



New Mexico  
Clean Fuel Coalition

Support HB41  
for Cleaner  
Air and Cheaper  
Fuels in NM



# Clean Transportation Fuels Standard and Gas Prices

- **What is the main driver of retail gas prices?**

The main driver of gas prices at the pump is the price of crude oil. When oil prices spike, gas prices follow.

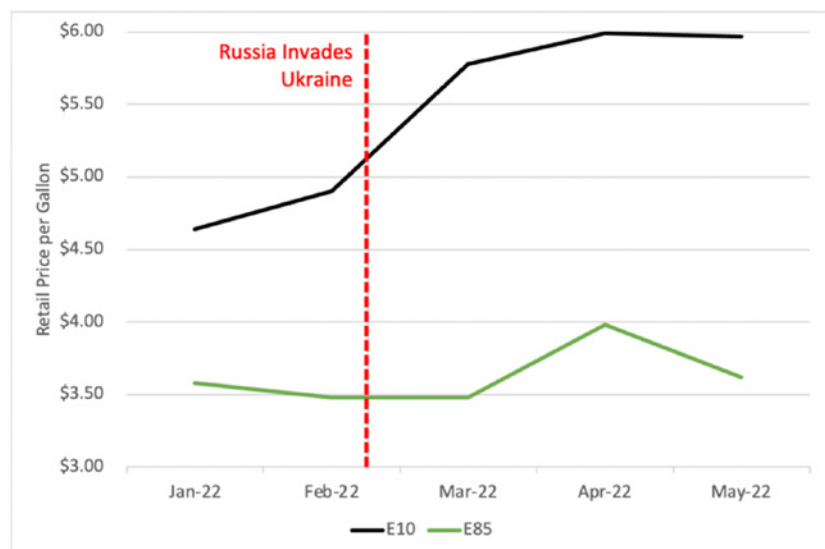
- **Just how much do crude oil prices affect gas prices?**

Crude oil accounts for up to 70% of retail gas prices. Whenever there's a shortage, war, or volatility in the oil market, that dramatically affects gas and diesel prices at the pump. To protect consumers from this volatility, we need to diversify the sources and types of transportation fuels.

- **Why is fuel market competition important?**

Gasoline and diesel come in many brands, but are basically the same product, in the same price range, because they are produced in the same way from the same source—crude oil. Oil prices are driven by world events over which we have no control, and the result is recurring gas price spikes that drivers can't escape. Diversifying the market frees us from this cycle by offering drivers cheaper—and cleaner—fuels that aren't tied to crude oil volatility.

After Russia invaded Ukraine, gasoline prices rose rapidly while ethanol (E85) prices remained steady, saving drivers a lot of money at the pump.



Stability of E10 and E85 prices in 2022 in the state of California

- **Does a Clean Transportation Fuels Standard diversify the fuel market?**

Yes! The Clean Transportation Fuels Standard allows alternative fuels with low carbon intensity to enter the market. In states with clean fuel standards, renewable diesel, renewable natural gas, biodiesel, ethanol, electricity, and low-carbon propane and hydrogen have all become more readily available to consumers.

- **How much will the Clean Transportation Fuels Standard affect gasoline prices?**

Essentially not at all. A study by preeminent economic consulting firm Bates White that tracked California’s gas prices and the effect of the state’s clean transportation fuel standard over the past decade found **no directly quantifiable impact to retail gas prices**. The same study found the price of crude oil, Cap and Trade, and taxes account for more than 90% of retail gasoline cost in the state.

- **How do clean fuel prices compare to gasoline and diesel costs?**

Clean fuels are often cheaper! Retail price data show that E85 fuel, which is up to 85% ethanol, regularly saves drivers \$1 or more per gallon as compared to gasoline. Renewable diesel is also regularly cheaper than conventional diesel. In times of oil market volatility, the savings can be even more dramatic. In spring 2022 after Russia invaded Ukraine, E85 was \$2.50 or more cheaper than gasoline at the pump in California.

- **How does the price of electricity for EVs compare to gasoline costs?**

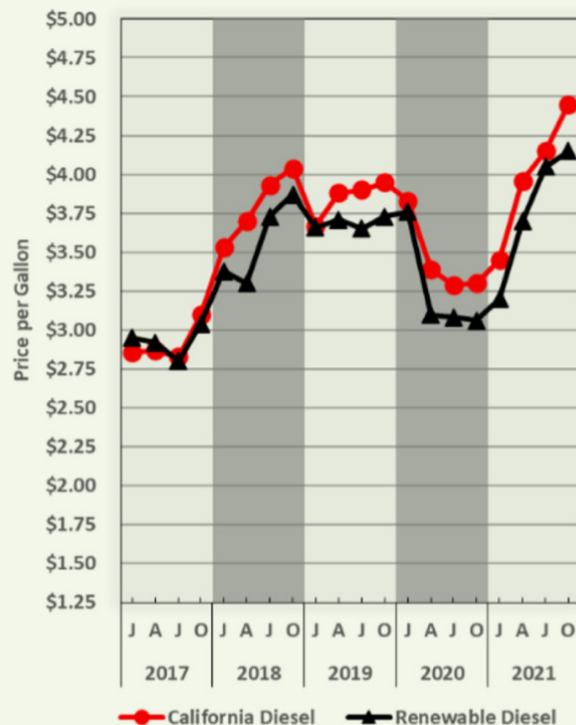
‘Filling up’ with electricity is much cheaper than gasoline. On average, EV users spend 60% less on fuels costs each year compared to drivers of gas-powered cars\*.

- **Will passing HB41 be a win for New Mexico drivers?**

Yes! By increasing access to cleaner fuels with no discernable impact on gasoline prices, consumers in New Mexico will have more options at the pump.

Read the Bates White Study on a Clean Transportation Fuels Standard Impact on Gas Prices [HERE](#).

Renewable diesel—a direct replacement for conventional petroleum diesel has also been consistently cheaper at the pump. Below: Reported California retail Price of Renewable Diesel and Petroleum Diesel, 2017–2021



Source: Bates White Study (reproduced from Clean Cities Alternative Fuels Price Report) 2022

\*Source: Lindwall C. [Electric vs. gas cars: Is it cheaper to drive an ev? Be a Force for the Future](#). November 17, 2023.

