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November 28, 2023

VIA ELECTRONIC MAIL

Senator Daniel Ivey-Soto
New Mexico Senate
490 Old Santa Fe Trail
Santa Fe, NM 87501

RE: Clean Transportation Fuel Standard - Support

Dear Senator Ivey-Soto:

Suburban Propane writes in support of enacting a Clean Transportation Fuels Standard during New Mexico’s 2024 legislative session. Suburban Propane has been serving customers for more than 95 years and is the nation’s third-largest propane retailer with operations in 42 states. In New Mexico, we currently have 35 employees serving more than 7,300 customers.

We support the State’s goal of reducing greenhouse gas emissions, and one of the most effective tools in lowering emissions is a technology-neutral clean transportation fuel standard which embraces all low carbon fuels. Such a policy allows diverse clean fuel technologies to compete in the marketplace, instead of picking winners and losers and promoting any one industry over others. Clean transportation fuel standards have the added benefit of spurring innovation in developing clean energy.

The effectiveness and benefits of a technology-neutral clean transportation fuel standard is evident in California’s highly successful Low Carbon Fuel Standard (“LCFS”) program. The California Air Resources Board reported that, from 2011 through 2022, the state achieved a 12.63 percent reduction of the carbon intensity of California’s transportation fuel pool, exceeding its target by more than two percentage points.¹ Oregon and Washington enacted similar standards in 2015 and 2021 respectively, and other states are considering their own clean fuel standards, including Illinois, Massachusetts, and New York. In a program review submitted to the Oregon Legislature last year, the state Department of Environmental Quality stated,

¹ <https://ww2.arb.ca.gov/resources/documents/lcfs-data-dashboard>



“The Clean Fuels Program is one of Oregon’s most successful statewide policies for addressing the state’s contribution to global climate change. This program has made significant strides in reducing greenhouse gas emissions from Oregon’s transportation fuels and is on track to achieve the goal of a 10% reduction by 2025. The program’s success and progress thus far can be summarized in three distinct outcomes that are happening since the outset of the program in 2016:

- Companies producing biofuels are making those fuels more cleanly and delivering them in greater volumes to Oregon
- The transition to biofuels and electricity are reducing tailpipe pollution and improving public health of Oregonians
- The transition away from fossil fuels has spurred innovation and investments without impacting the price at the pump.”²

In addition to the significant reduction in carbon emissions, clean transportation fuel standards incentivize fuel producers to innovate and develop ultra-low carbon, carbon-neutral, and even carbon-negative fuels in order to meet or exceed the annually-decreasing carbon intensity benchmark and maximize the reduction in the carbon intensity of the energy they produce. This leads to further economic development and good-paying job creation in the fast-growing clean energy industry.

Suburban Propane has been actively engaged in California’s LCFS and Oregon’s Clean Fuels Program with traditional propane and is innovating to bring the next generation of even lower carbon energy sources to market, including renewable propane, renewable dimethyl ether (“rDME”), and other blends of ultra-low carbon renewable products.

Adopting a technology-neutral approach that uses all available clean, low-carbon energy will help New Mexico achieve its goal of reducing GHG emissions and mitigating the impacts of climate change. We urge you to enact a Clean Transportation Fuels Standard in the 2024 legislative session. Please let me know if you have any questions or need additional information. If you would like, we would be happy to set up a meeting with you and/or your staff to discuss this. Thank you for your consideration.

Sincerely,

/s/ Paul M. Rozenberg

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cc: Claudia Borchert (via electronic mail)
Jessie Hunt (via electronic mail)

² <https://www.oregon.gov/deq/ghgp/Documents/CFPPProgramReview.pdf>