



## New Mexico Clean Truck Incentive Program

Using Federal Funding to Bring Zero Emission Trucks to New Mexico

### What is it?

The New Mexico Clean Truck Incentive Program (NMCTIP) will create point-of-sale incentives for medium and heavy-duty (MHD) electric trucks. The program will be funded exclusively through new federal programs created through the Bipartisan Infrastructure Law and Inflation Reduction Act. NMCTIP will support the purchase of zero emission clean trucks and buses for fleets in New Mexico, with a focus on disadvantaged communities, small/independent fleet owners, and public school and transit fleets.

### Why does New Mexico need a clean truck incentive program?

Although MHD trucks make up only 5% of all vehicles on the road nationally, they are responsible for 30% of on-road greenhouse gas emissions and over 50% of on-road dangerous fine particulate matter (PM2.5) emissions across the country. These PM2.5 emissions create unhealthy air quality, which contributes to asthma, lung maladies, cardiovascular diseases and other poor health outcomes. MHD trucks and their harmful emissions impacts are also disproportionately concentrated in communities of color due to their close proximity to major roadways, ports, and warehouses where truck pollution is most prominent. Unfortunately, the fleets operating in these communities often have the fewest

resources available to purchase the vehicles which will reduce these dangerous air pollutants.

However, electric trucks and buses have zero tailpipe emissions, leading to huge reductions in greenhouse gas emissions and improved air quality. According to the American Lung Association, the cumulative benefit of a full transition to zero-emission trucks by 2040 for New Mexico will result in the avoidance of 17,305 lost work days, 3,824 asthma attacks, and 146 premature deaths – which is estimated to provide a monetized benefit of over \$1.6 billion by 2050. Leveraging federal funding to bring more electric trucks and buses to the state will also create direct economic benefits for fleet owners who use these vehicles through reduced fuel and maintenance costs, resulting in a lower total cost of ownership.

Electrifying trucks and buses is also critical to reaching climate goals, as transportation is the second most significant emitting sector in New Mexico. An incentive program is essential to kickstarting the market and beginning the transition to zero-emission truck technology in New Mexico.

### Who will benefit from more clean trucks through this incentive program?

The incentive program will be structured to prioritize deploying electric trucks for the groups that need them most: small businesses, public transit agencies, and school districts. These entities

will greatly benefit from the operational cost savings of electric trucks and buses, but higher upfront purchasing costs pose a barrier to access. This incentive program will lower the barrier to electrification for New Mexico's small businesses and bus operators and help them realize the economic and public health benefits that electric trucks and buses offer.

### How will underserved fleets be prioritized?

Applicants from underserved communities will be prioritized in the review process. Higher incentive levels will also be offered for public transit agencies, public school districts in underserved communities, small business owners, independent truck owner/operators, and minority and/or veteran-owned small businesses. This will help ensure that incentives are prioritized to fleets that can most benefit from electrification, and fleets who otherwise might have the most difficulty electrifying. These prioritizations will help align the program with the principles of the Justice40 initiative.

### How will the incentive program work?

Legislation will direct a portion of New Mexico's Carbon Reduction Program funding to provide the initial funding for the NMCTIP. This funding will support staffing and resources to launch the NMCTIP, conduct outreach with truck dealers and fleets, and administer several dozens of truck rebates per year. The legislation will also direct the staff running the NMCTIP to apply for additional funding from the Clean Heavy Duty and Greenhouse Gas Reduction Programs, which are competitive grant programs created through the Inflation Reduction Act. Creating this program will make New Mexico more competitive to win these grant programs, bringing more federal dollars into the state and allowing for more electric trucks to be supported by the program. In coordination with manufacturers, dealers, and fleet owners, the program will be designed so that the rebates are redeemable at the point of sale, so the rebate can be used to reduce the upfront purchasing price of zero-emission Class 2b-8 trucks.



#### For more information, contact

Aaron Kressig, Transportation Electrification Manager at [aaron.kressig@westernresources.org](mailto:aaron.kressig@westernresources.org) or 720.763.3746.

