



**NEW MEXICO
BUSINESS COALITION**

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RE: Oppose HB 6 Clean Future Act

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC respectfully opposes HB 6 Clean Future Act. All our members and followers support a clean, vibrant environment, but they want to see that accomplished in a way that provides balance and allows businesses to provide for our needs while creating jobs for New Mexicans. This bill does not accomplish that.

It's interesting to see legislation proposed that pushes New Mexico to have the most stringent requirements in the nation. That, of course, makes this legislation more stringent than California, a state with vastly stronger resources for compliance. This bill goes further than a U.S. model approach and seeks to have the most stringent requirements in the world. Unfortunately, that puts this legislation in direct conflict with the Paris Agreement that many countries, including the U.S., have signed onto.

HB 6 is economy wide and brings some businesses and industries under its purview that are not currently regulated for emissions. While that clearly seems to be the goal, it could be detrimental to job creation. New Mexico already struggles to compete nationwide and regionally; setting standards at this inflated level will worsen that situation and be harmful to our state and our people.

This legislation is strictly environmentally focused and ignores the fact that New Mexico is a poverty-stricken state that needs to find new ways of encouraging job creation, not inhibiting that. The state was one of the hardest hit by the corona virus and we encourage the legislature to not further restrict expansion at this time.

For those companies currently regulated for emissions, we believe the definitions in this bill should, at the very least, align with the Paris Agreement. That Agreement seeks balance between man-made emissions and the removal of emissions by sinks, which this bill does not address. That diminishes opportunities for compliance and creates additional challenges for businesses that have signed onto the Paris Agreement.

In addition, all businesses need flexibility in meeting the stated goals. They also need certainty of knowing that they can reach the mandated requirements in ways that best fit their operational abilities. This could be addressed by amending the definition of 'offset' to allow flexibility and the use of best methods available.

NMBC also recommends that definitions be consistent with those already found in the Air quality Act. In addition, 'environmental justice communities' is not defined and should be removed.

Setting the standards based on 2005 levels is extremely stringent and will create hardship on most every business attempting to comply. New Mexico's economy has changed significantly since that time making the baseline both difficult to determine and raising the question as to its applicability.

HB 6 significantly expands the Environmental Improvement Board (EIB) authority over greenhouse gas emissions. Unfortunately, the bill does not address EIB oversight which should be provided by the legislature. Historically we have seen issues created when legislation tasks an agency with new duties but does not define the necessary oversight to provide needed checks and balances.

In addition, the bill provides the EIB with exclusive authority. With the decision makers appointed by the governor and no legislative oversight we are, again, creating a situation where New Mexico will not benefit from balanced powers.

The bill is silent on cost effectiveness and feasibility of the requirements contained therein. It would be beneficial to the state and businesses if the EIB were required to undertake a cost analysis and feasibility study for any regulation adopted pursuant to this Act.

This legislation did not receive interim review or stakeholder engagement which is a bad practice for our state. Coupled with the extreme requirements of the legislation and the fact that New Mexico has a long covid recovery ahead, we do not believe HB 6 is in the best interest of our state.

On behalf of hard-working New Mexicans and businesses, and for the reasons stated, NMBC is strongly opposed to HB 6 Clean Future Act and urges you to say 'NO' to its passage.

Thank you,

A handwritten signature in blue ink that reads "Carla J. Sonntag". The signature is fluid and cursive, with a horizontal line underneath the name.

Carla J. Sonntag
President