April 15, 2015

The Honorable David Martin, Secretary
Energy, Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Biodiesel Mandate

Dear Secretary Martin:

The New Mexico Department of Agriculture (NMDA) received feedback from members of the Biodiesel Task Force and all interested parties through April 14, 2015 regarding the availability and price differential of biodiesel to meet the mandate.

In accordance with the Petroleum Products Standards Act:

57-19-28. Duties of the board; authority of the director

C. If in consultation with the secretary of energy, minerals and natural resources and pursuant to regular, periodic monitoring, the director determines that sufficient amounts of biodiesel are not available to meet the requirements of Section 57-19-29 NMSA 1978 or that the price of the biodiesel blend significantly exceeds the price of diesel fuel for at least two months, the director shall suspend those requirements for a period of up to six months.

57-19-29. Quality standards

C. On or after July 1, 2012, all diesel fuel sold to consumers for use in motor vehicles on the streets and highways of this state shall contain five percent biodiesel, except that this standard may be temporarily suspended by the director in accordance with Section 57-19-28 NMSA 1978.

The major overriding concerns with the feedback NMDA received was the lack of infrastructure in New Mexico and the ability to receive sufficient supplies of biodiesel to fulfill the needs of the mandate and price differentials between conventional diesel (ULSD) and a biodiesel blend. The major biodiesel blender in the state discontinued blending due to temperature and performance concerns during the winter months and has no plans to begin blending due to the high biodiesel price relative to ULSD in the foreseeable future.
Moving forward we are going to attempt to drive data collection from the biodiesel task force by gathering information on quantities necessary to fulfill the mandate. Also, included in the data collection will be the gathering of the quantity in gallons of biodiesel produced in or outsourced from New Mexico. A consensus from the biodiesel task force on price differentials will also be gathered on a monthly basis.

Joe Gomez and David Turning of my staff have kept in contact with Louise Martinez in your department. They have shared information regarding availability and pricing with Ms. Martinez.

Due to the lack of availability of sufficient supplies of biodiesel required to fulfill the mandate and price differentials, I request your concurrence in issuing a temporary suspension of the biodiesel mandate as spelled out in section 57-19-28 of the Petroleum Products Standards Act effective May 1, 2015 through October 31, 2015.

Sincerely,

Jeff M. Witte

JM/jg

David Martin
Secretary
Energy, Minerals and Natural Resources

I concur in issuing a temporary suspension effective May 1, 2015, of the biodiesel mandate as spelled out in Section 57-19-28 of the Petroleum Products Standards Act.