New Mexico Environment Department

Clean fuel and local government: Putting CTFP to work for your community

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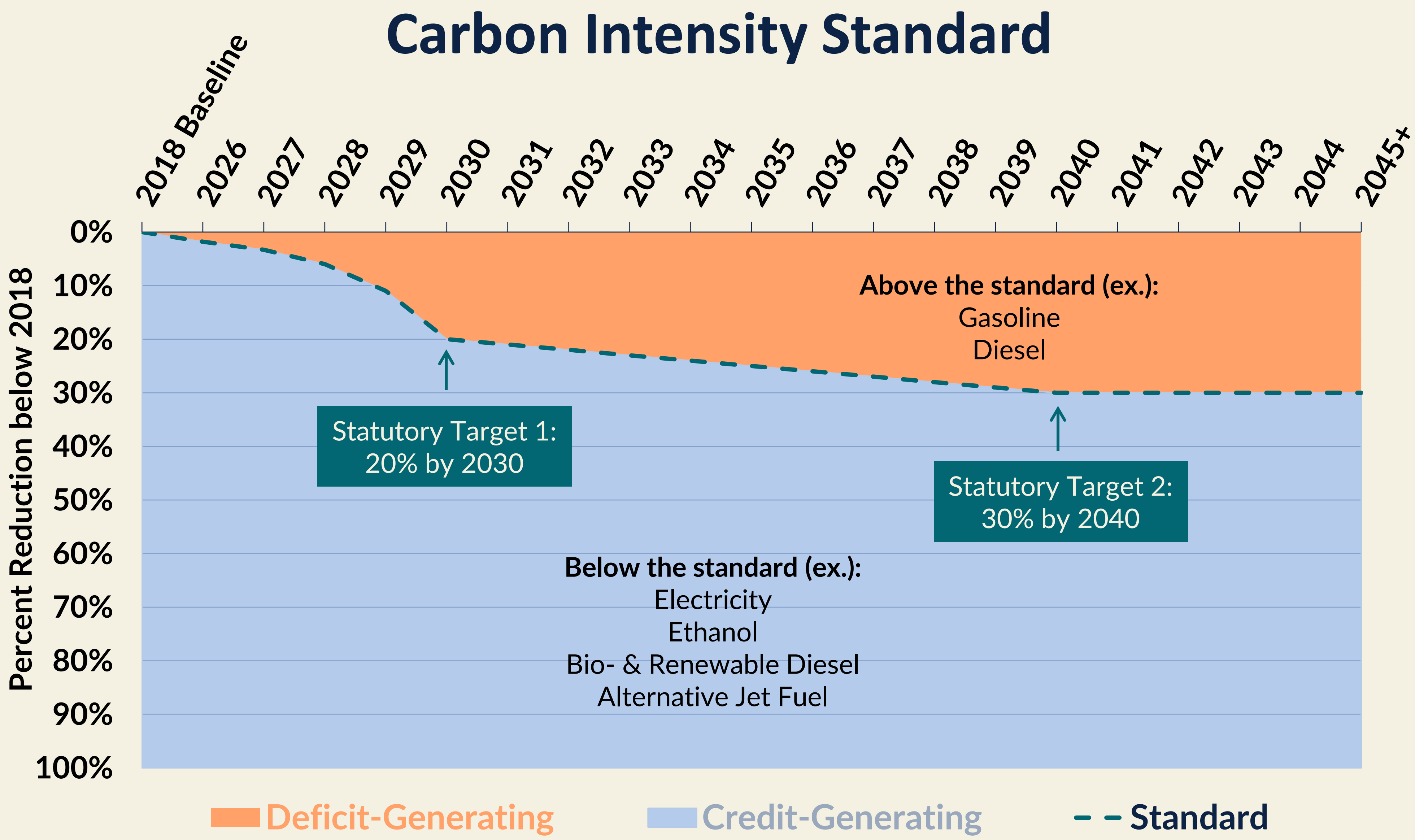
Agenda

- Clean Transportation Fuel Program (CTFP) basics for government entities
- How to generate credits
- How credits become dollars + EV credit estimator demonstration
- Aggregators and their role
- Other opportunities for local governments

What is New Mexico’s CTFP?



Cleaner Fuel Balances Traditional Fue

CARBON INTENSITY STANDARD

Credits

- Electricity
- Alternative jet fuel
- Synthetic fuel
- Fuel supply equipment & projects
- Renewable diesel

Deficits

- Fossil gasoline
- Fossil diesel

Program Timeline

Generate and monetize credits

Earn monetizable credits by registering with CTFP and **reporting activity that generates credits**

Sell credits to producers of carbon intensive fuels within CTFP (they need credits to offset their deficits in the program)

Create revenue streams that can be reinvested in strengthening communities

Expand use of cleaner fuels, creating revenue, jobs, and cleaner air

Credit opportunities for local government

Role	Example activity	Credit source
Fuel Supply Equipment (FSE) Owner	Owns EV chargers/ports/pumps	Electricity dispensed at government facilities (kilowatt-hours)
Electric distribution utility (EDU)	Operates a utility dispensing electricity	Estimated electricity dispensed in service area as calculated by NMED
Transit agency	Operates electric buses/rail	Electricity used by the transit system (kilowatt-hours)
Fleet owner without charging infrastructure	Owns certain electric heavy equipment	Credits unclaimed by infrastructure/FSE owner

*Note: generally, we are referring to electricity as a transportation fuel, but credit generation from compressed natural gas (CNG), propane, and other clean fuel is also possible

You may wear more than 1 of these hats!

FSE "fuel" and "capacity" credits

Why?

NMED incentivizes dispensing of clean transportation fuel

How? Ownership of charging equipment for electric vehicles, fleet vehicles, and compressed natural gas fueling equipment; planned FSE projects

Who? Owner of the equipment is "first in line" to claim credits

Credit source: Reports of actual electricity dispensed (kWh); option for **expected optimal output**

Standard FSE vs. FSE Capacity Credits

Feature	FSE Fuel Credits (Already Running)	FSE Capacity Credits (Optimal use)
When to Register	After the equipment is operational.	Before the equipment is operational.
Launch Deadline	Generally within 45 days of starting service.	Must be operational within 18 months of approval.
Credit Source	Based on the actual amount of fuel dispensed.	Based on the equipment's potential to fuel vehicles (addition to actual fuel dispensed).
Duration of Benefit	Permanent (while program is active).	Limited to 10 years or a monetary cap (1.5x or 2x capital expenditure)

Electric Distribution Utility (EDU) credits

Why? NMED incentivizes transportation electrification to provide more consumer choice and jobs in clean fuel industry

How? Local government operates an EDU, dispenses a portion of non-metered residential electricity for charging EVs

Who? Utility is “first in line” to claim credits (so are electric vehicle manufacturers, who may claim up to 35% of available credits)

Credit source: NMED estimates portion of non-metered residential electricity dispensed by EDU for charging based on region-specific EV registrations and carbon intensities.*

* EDU can submit their fuel mix breakdown to NMED for a custom carbon intensity

Transit Agency

Why?

NMED incentivizes cleaner public transit to provide more transportation options

How? Local government operates electric buses, light rail, streetcars, or aerial trams

Who? Transit agency is “first in line” to claim credits

Credit source: Reports of actual clean fuel (typically electricity) used in the transit system

More transit credit perks under CTFP

Efficiency "boost":

NMED rewards systems that are more efficient at moving passengers, potentially boosting credits using pre-defined values called "Energy Economy Ratios" in calculations for each type of public transit.

Project credits:

NMED rewards ridership increases on public transit.

Transit agencies can apply to receive credits for projects that increase use starting July 1, 2026 (based on actual emissions reductions).

Special equipment credits

Why? NMED incentivizes use of cleaner fuels in special equipment

How? Local government may operate a fleet with electric special equipment* while a separate entity owns the charging infrastructure

Who? Fleet owners can claim credits if charging infrastructure owner (“first in line”) chooses not to.

Credit source: Reports of actual electricity dispensed (kWh)

*Electric forklifts, electric transport refrigeration units (eTRUs), and electric ground support equipment (eGSE)

Universal Program Fees

Fee type	Who pays	When	Basis or amount
One time program registration fee	Any organization who is required by regulation (regulated party) or opts into CTFP (becoming regulated)	Upon registration; paid before the Department approves an ARCS account.	**$3,000 for credit and deficit generators**
Annual CTFP fee	All regulated parties	Participants receive invoice within 30 days following announcement of final CTFP budget on October 31, 2026, and then July 1 each subsequent year. Payment due within 30 calendar days of date of the department's invoice.	Each participant's share of the fees is prorated twice, based on CTFP budget: 1. NMED determines the program's total CTFP budget based on the activities involved in administering the CTFP. 2. **The total budget is split so that deficit generators cover 95% of the cost and credit generators cover the remaining 5% (minimal annual fees)** 3. Each participant's annual fee is prorated within the 95% and 5% categories, based on the number of credits or deficits generated.

***Note: Additional application fees may apply in certain cases, like FSE Pathway Applications and Project Credit Applications**

Credit monetization

[EV Charging Credit Revenue Calculator demonstration]

Credit revenue provisions

EDUs: 100% of revenue must go toward transportation electrification projects. 50% of that must support low-income and underserved communities

Role	Primary credit source	How credits are generated	Primary fuel type	Revenue rules
Government as FSE owner	Chargers owned by the agency	Metered and reported by agency	Equipment-specific electricity	No specific reinvestment mandate
Government as EDU	All EVs registered in service area	Calculated by NMED after registration	Grid-wide electricity	Reinvest 100% into transportation electrification; 50% to low income/underserved communities

Aggregators vs. Backstop Aggregator

Both manage credits on behalf of others

Aggregators

- **Service provider** (private businesses, consultants) the credit generator chooses to hire
- Handles administrative work so you don't have to
- May take a cut of credit revenue
- Does not eliminate registration fee of $3,000 – but they may cover as part of agreement

Backstop aggregator

- **Single, nonprofit organization** NMED selects to gather up unclaimed credits + maximize clean fuel potential
- Role is to decarbonize transportation in New Mexico with revenue generated

Other opportunities for government participation

- **Join a future Advisory Committee: NMED will seek** at least one local government representative to provide input on the program.

- **Provide input to backstop aggregator** on transportation decarbonization projects that are brought to communities as part of their requirements

- **Capacity credit impact:** other parties may build FSE in your communities; local governments have a say in infrastructure siting and approval, job creation in your community

- **Equity-focused projects:** FSE stations in zip codes with low fuel availability or that are low-income are eligible for **“enhanced lifetime monetary credit limits”**
  - Most FSE capacity credits are capped when they reach 1.5x capital expenditure
  - An “Enhanced” limit cap is raised to 2x capital expenditure (minus grants/external funding)

What's next?

Estimate credit potential with **EV Charging Credit Revenue Calculator + Credit/Deficit estimator**

Register at any time (though if you have CNG this deadline has passed - register ASAP to comply)

First reporting deadline. To claim credits for activity between April 1 – June 30, CTFP's first quarter and calendar Q2, report data in ARCS by October 15 **and finalize it by November 23.**

Finalize all reported data in ARCS by September 30.

As early as fall 2026, NMED will deposit **first credits and deficits**

Places to start…

1. Do I want to opt in? Try the EV charging credit estimator to estimate revenue from chargers
2. Read Registration guidance, FSE guidance + ARCS link
3. Refer to full text Clean Transportation Fuel Program rule
4. See CTFP website with important dates, guidance documents, and fee framework
5. Review emailed copy of this presentation + schedule a meeting with us!

Questions?

- **General questions** about CTFP: cleanfuel.standard@env.nm.gov
- Questions **about ARCS**(fuel reporting, account, or credit bank and transfer system): CTFP.ARCS@env.nm.gov
- Sign up for our **CTFP GovDelivery listserv**: https://public.govdelivery.com/accounts/NMED/subscriber/new

  1. Make sure “Subscription type” is 'Email - Correo electrónico”
  2. Enter your email and Captcha.
  3. Once you submit your email, scroll down to the Climate Change Bureau section and check the box for “Clean Fuel Standard”

- Schedule a **30-minute help session** with our support team for 1-on-1 policy assistance

  Microsoft Bookings page

Thank you!

NMED Climate Change Bureau