Climate Change Bureau
Clean Transportation Fuel Program

Proposed Costs for Fee-Based Clean Transportation Fuel Program

Year 1

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Revision History Table

Revision #	Publication Date	Revised By	Reason for Revision
0	10/30/2026	NMED CCB	Initial Publication

Introduction

The New Mexico Environment Department (NMED) Clean Transportation Fuel Program (CTFP) charges participants a **program fee** each compliance period to cover the cost of running the program, as explained in the CTFP rule (20.2.92.502 NMAC). This fee is based on an estimate of **program costs** for one year, referred to in the rule as the "CTFP budget."

All parties that generate deficits or credits in the program pay a proportionate part of the total program fees based on the number of credits and deficits they generate. Aside from this first period, NMED will publish the final year 1 program costs by June 1 and issue invoices for program fees within 30 days.

For this **first period**, NMED needs to delay the posting of **per-credit and per-deficit fees** until able to assess actual credit and deficit balances. Once NMED receives and audits the first quarter fuel reports to determine initial balances and fees, NMED will update this document according to the timeline detailed below in "CTFP year 1 program costs & fee timeline." In subsequent years, NMED will follow the program cost and fee process outlined in the rule:

- Post the proposed program costs and the per-credit and per-deficit fees to its website, on its data management system (CTFP-ARCS), and send an email to CTFP interested parties.
- Provide 15 days for public comment.
- After considering public comments, post the final program costs and the per-credit and per-deficit fees to its website, on CTFP-ARCS, and send an email to CTFP interested parties. If NMED makes changes between the proposed and final program costs, NMED will explain any changes.
- Issue invoices to deficit-generating and credit-generating participants within 30 days of posting the final program costs and per-credit and per-deficit fees.

Below NMED provides proposed year 1 program costs, a workload analysis, estimated program cost allocation, methods for determining program fees, and a timeline for finalizing year 1 program costs & fees.

Proposed year 1 CTFP program costs

The proposed year 1 CTFP program cost is $5,037,968, and covers the period from July 1, 2026, through June 30, 2027.

As permitted in 20.2.91.502 NMAC, the proposed program costs include agency staff to manage the program, funding for the fuel supply forecast analysis, professional services to develop and maintain program software infrastructure (known as the Applications, Reporting, and Compliance System or ARCS) equipment, travel, outreach, and agency overhead.

New Mexico Clean Transportation Fuel Program Estimated Year 1 Program Costs		
Item	**FTE***	**Cost**
NMED Climate Change Bureau staff and benefits	11.0	$1,541,393
NMED compliance and enforcement staff and benefits	0.5	$68,495
Professional service contracts: Fuel Supply Forecast (New Mexico Department of Transportation)		$100,000
CTFP-ARCS (Applications, Reporting, and Compliance System) development and maintenance		$1,681,448
Program support (Carbon intensity, calculators, fuel pathways)		$431,500
Market analysis		$132,000
Outreach		$243,000
Compliance and enforcement support		$137,000
Vehicle operation, travel, telecom, IT services, equipment, printing, postage, etc.		$81,343
Agency overhead costs		$621,790
Total		***$5,037,968***

* Full-time equivalent

Workload analysis

The year 1 program costs include salary and benefits for the full-time equivalent of 11 NMED employees. A core team of eight full-time staff run the Clean Transportation Fuel Program within the Climate Change Bureau (CCB):

1. Clean Transportation Fuel Program Supervisor (F2041S)
2. Clean Transportation Fuel Program Lifecyle Analyst (F2041A)
3. Clean Transportation Fuel Program Senior Scientist (F2041A)
4. Clean Transportation Fuel Program Scientist (F2041O)
5. Clean Transportation Fuel Program Associate Scientist (F2041B)
6. Clean Transportation Fuel Program Coordinator (B90401)

7. Clean Transportation Fuel Program Marketing Coordinator (J3054)
8. Clean Transportation Fuel Program Senior Business Operations Analyst (C1199A)

Other Environment Department (NMED) staff assist with the program as needed. Staff supporting CTFP less than full-time include:

1. CCB Economist (0.6 FTE. F3011O)
2. CCB Permitting Section Manager (0.7 FTE, X30200)
3. CCB Planning Section Manager (0.4 FTE, X30200)
4. CCB Community Engagement & Support Section Manager (0.2 FTE, X30200)
5. CCB Greenhouse Gas Emissions Inventory Senior Environmental Scientist (0.2 FTE, F2041A)
6. Compliance And Enforcement Division Compliance and Enforcement Senior Scientist (0.5 FTE, F2041A)
7. Office of General Council Assistant Attorney (0.4 FTE, LLLA45)

Each position is followed by the New Mexico State Personnel Job Catalog job classification into which the positions fall.

Proposed CTFP year 1 program cost allocation

In accordance with the provisions in 20.2.91.502 NMAC, NMED allocates ninety-five percent (95%) of total program costs toward deficit generators and the remaining five percent (5%) toward credit generators.

Percentage of total budget	Allocation	Total cost per category
95%	Deficit generators	$4,786,070
5%	Credit generators	$251,898

Year 1 per-deficit and per-credit fee

For this first fee-year given the development timeline of program software, regulated parties are to submit their first Quarterly Fuel Reports (for Q2) before or on November 23, 2026. NMED needs the data from the Q2 reports to determine program fees. Once NMED has audited the data from these fuel reports, NMED will use the total credits and deficits generated in Q2 to determine **proposed per-credit and per-deficit fees** as follows:

- The total **program cost allocated to deficit generation** is divided by the **total number of Q2** deficits to determine the **per-deficit fee**.
- Similarly, the **total program cost allocated to credit generation** is divided by the **total number of Q2 credits** to determine the **per-credit fee**.

- NMED will multiply the **per-deficit fee** by the **number of deficits generated by each deficit generator** to calculate the deficit-generator's portion of the program costs (their program fee).
- NMED will multiply the **per-credit fee** by the **number of credits generated by each credit generator** to calculate the credit-generator's portion of the program costs (their program fee).

Estimated per-credit and per-deficit fees will be published in an updated version of this document according to the timeline detailed below.

CTFP year 1 program costs & fee timeline

The dates and steps below provide the timeline for publishing the final CTFP program cost, the per-deficit and per-credit fees, and the deadline by which program participants pay their program fees for the first year of CTFP. The timeline is contingent on timely and accurate Q2 2026 fuel reporting.

- **November 23, 2026**: Deadline for participants to submit first CTFP Quarterly Fuel Reports for the quarter starting April 1, 2026, and ending June 30, 2026 (calendar Q2)
- **November 24-December 17, 2026**: NMED audits the first quarter of CTFP reporting
- **December 18, 2026**: NMED announces the proposed CTFP per-deficit and per-credit fees
- **December 18, 2026- January 10, 2027**: Public comment period on proposed year 1 program costs and fees.
- **January 6, 2027**: NMED holds webinar on proposed year 1 program costs and fees.
- **January 10, 2027**: End of public comment period.
- **January 14, 2027**: NMED announces final year 1 program costs and per-credit and per-deficit fees
- **By February 15, 2027**: NMED sends CTFP program fee invoices to participants
- **By March 17, 2027, or 30 days after receiving invoices**: Program fee payment deadline for participants