New Mexico Environment Department



CTFP Fuel Pathways and Carbon Intensities, Unlocked

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Agenda

Part 1: Defining terms and mapping processes

- What are fuel pathways, carbon intensities (CIs), & fuel pathway codes (FPCs)?
- Why do they matter?
- Pathway holders & fuel reporters
- Paths to fuel pathways

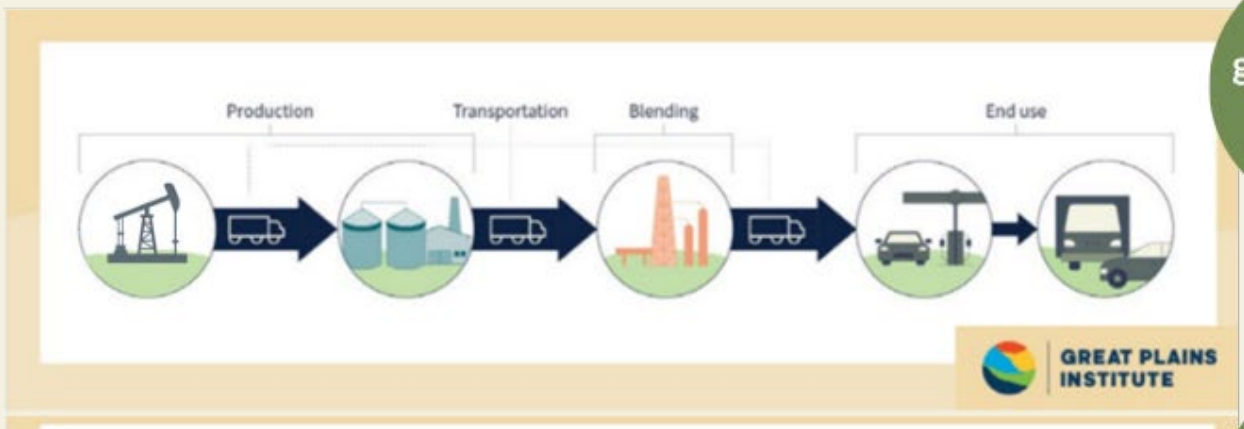
Part 2: Fuel pathway framework under CTFP

- Electricity and EV charging
- Fossil fuel
- Bio-based fuel + bio-based fuel FAQs

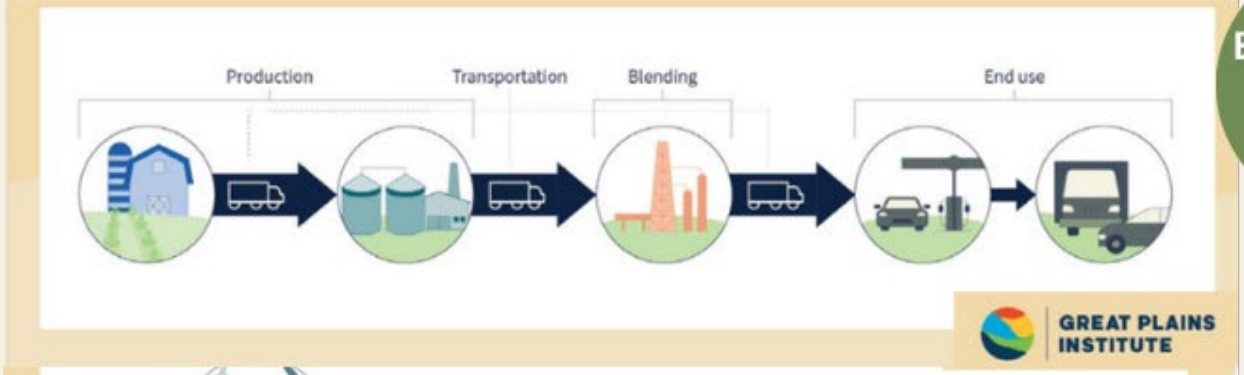
Part 3: Next steps, fees, & contact

Part 4: Q&A

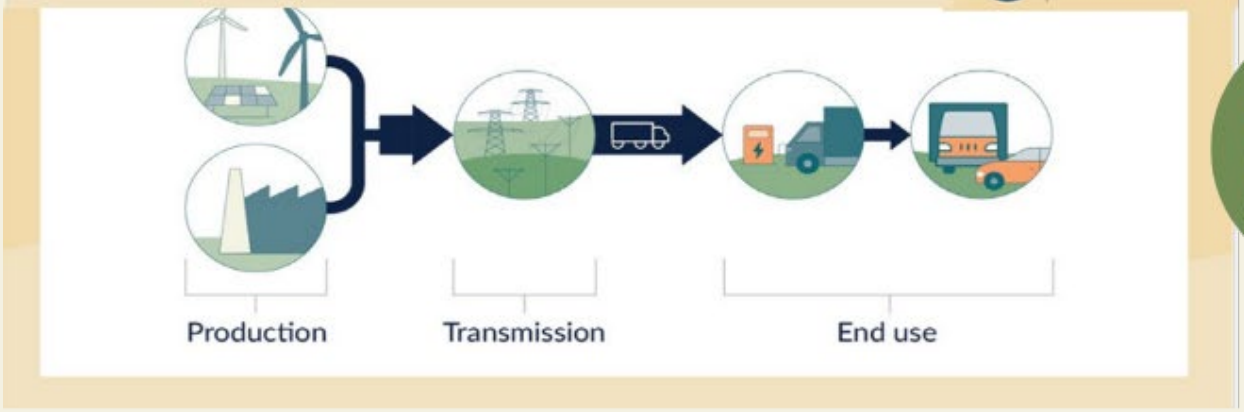
What is a Carbon Intensity (CI)?



Clear gasoline CI*: 95.6 gCO_2e/MJ



Ethanol CI* = 65-75 gCO_2e/MJ



Electricity CI* ≈ 0-67 gCO_2e/MJ

* Carbon intensity in grams of carbon dioxide equivalent per megajoule (gCO_2e/MJ)

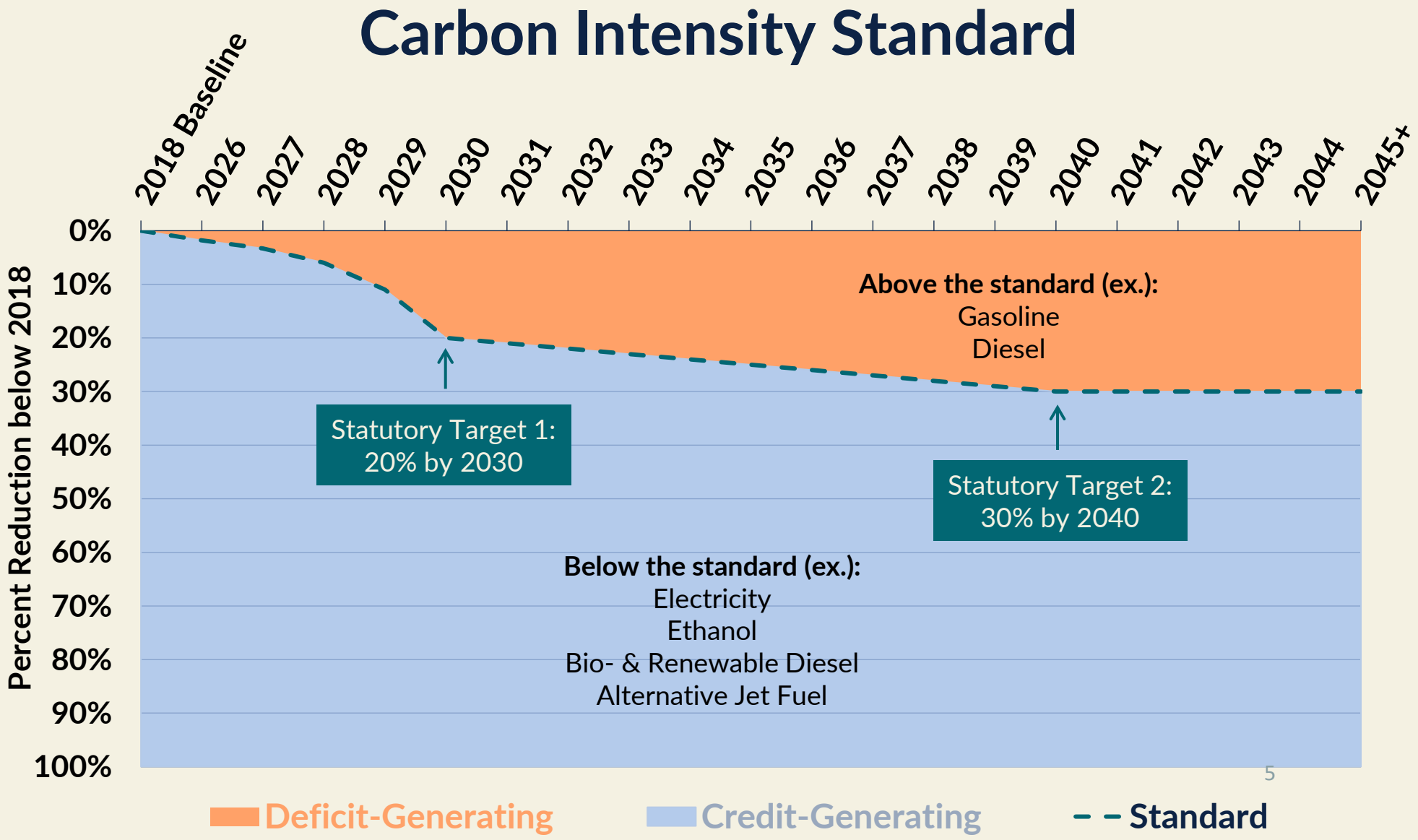
What is a fuel pathway & fuel pathway code?

Fuel pathway: the detailed "journey" a fuel takes from origin to end use

- **CI** score: the measured numerical value of emissions generated throughout the pathway

Fuel pathway code (FPC): the unique identification number assigned in the online reporting tool, CTFP-ARCS, that identifies the pathway's CI score for a given fuel transaction.

Why are fuel pathways important?



Why is it so complicated?

Fuels in our state all reach vehicles in very different ways and have very different markets, production processes, and supply chains.

CTFP must account accurately for how they operate in the NM economy without asking each participant to do a lifecycle analysis.

Basic framework: 3 fuel categories

Category	Primary Fuel Types	Pathway process in CTFP
Fossil Fuels	Gasoline, diesel, fossil CNG, Fossil LNG, Fossil LPG	Pre-approved Statewide Lookup Table **See: Table 4 in rule**
Bio-based & Renewable Fuels	Ethanol, biodiesel, renewable diesel, biomethane	Temporary pathways then New Mexico Alternative Fuel Pathway using Tier 1 or 2 custom models **See: Temporary pathway directions & AFP application guidance**
Electricity & EV charging	Grid Power, On-site Solar/Wind, EV Charging	Annual EDU Grid CI, Zero-CI Solar, or Book-and-Claim RECs **See: EDU guidance and rule sections 20.2.92.206(D) and 20.2.92.206(E)**

Fuel pathway holders and fuel reporters: What's the difference?

Fuel Pathway Holder:
"Keeper" of the FPC

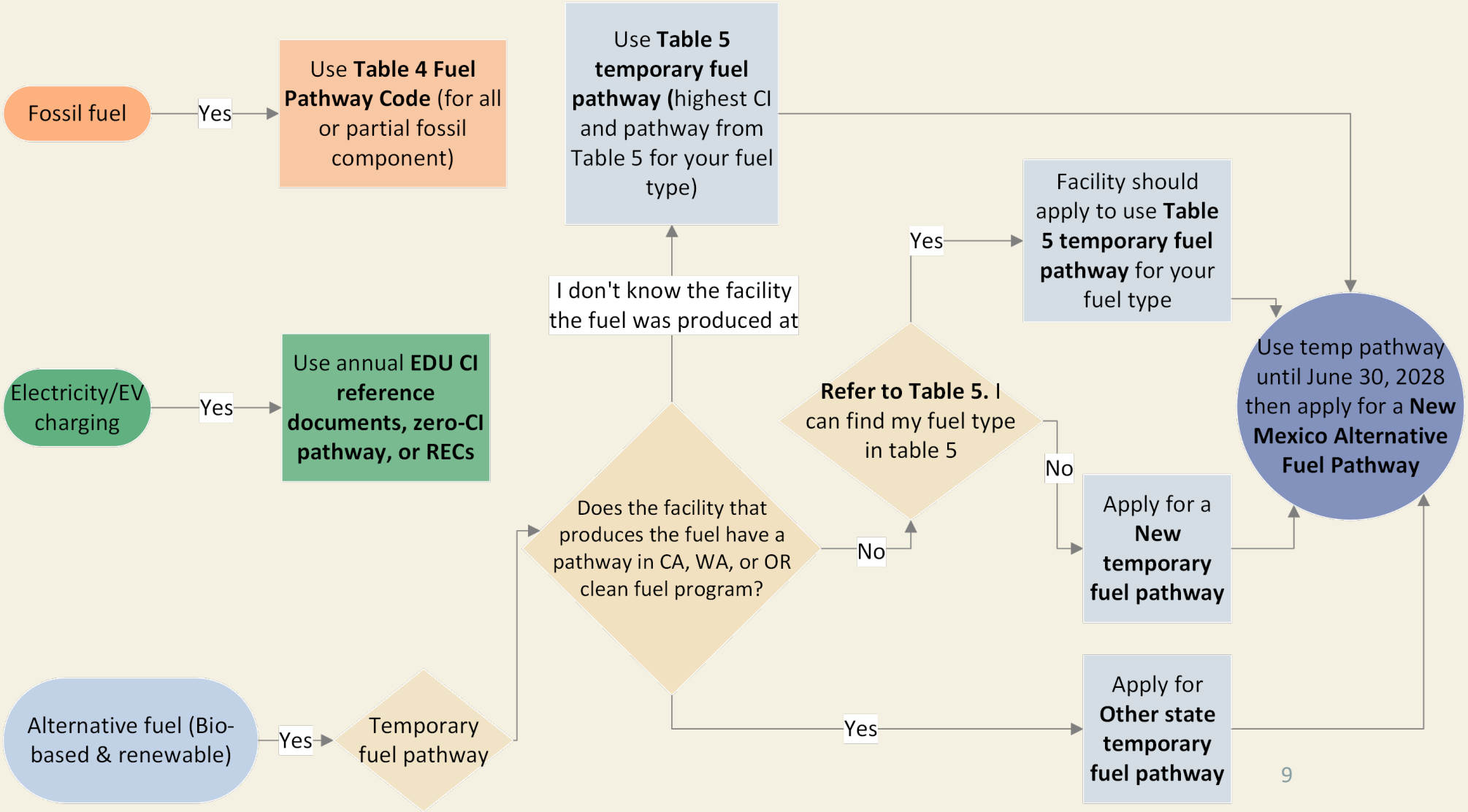
- Typically, the producer of the fuel – can be outside NM
- Responsible for maintaining fuel pathway
- Reports annually on how fuel was produced and if certified CI is accurate

Fuel Reporter:
"Tracker" of fuel with that FPC

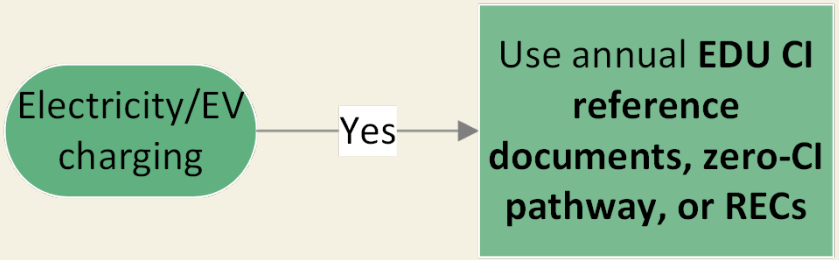
- Typically, an organization that imports or produces fuel in NM
- Responsible for reporting under the correct FPC
- Responsible for Reports quarterly on fuel volumes

Fuel pathway holder and fuel reporter ***may sometimes be the same entity, sometimes different entities****. For example…*

Paths to fuel pathways



Paths to fuel pathways: Electricity as transportation fuel



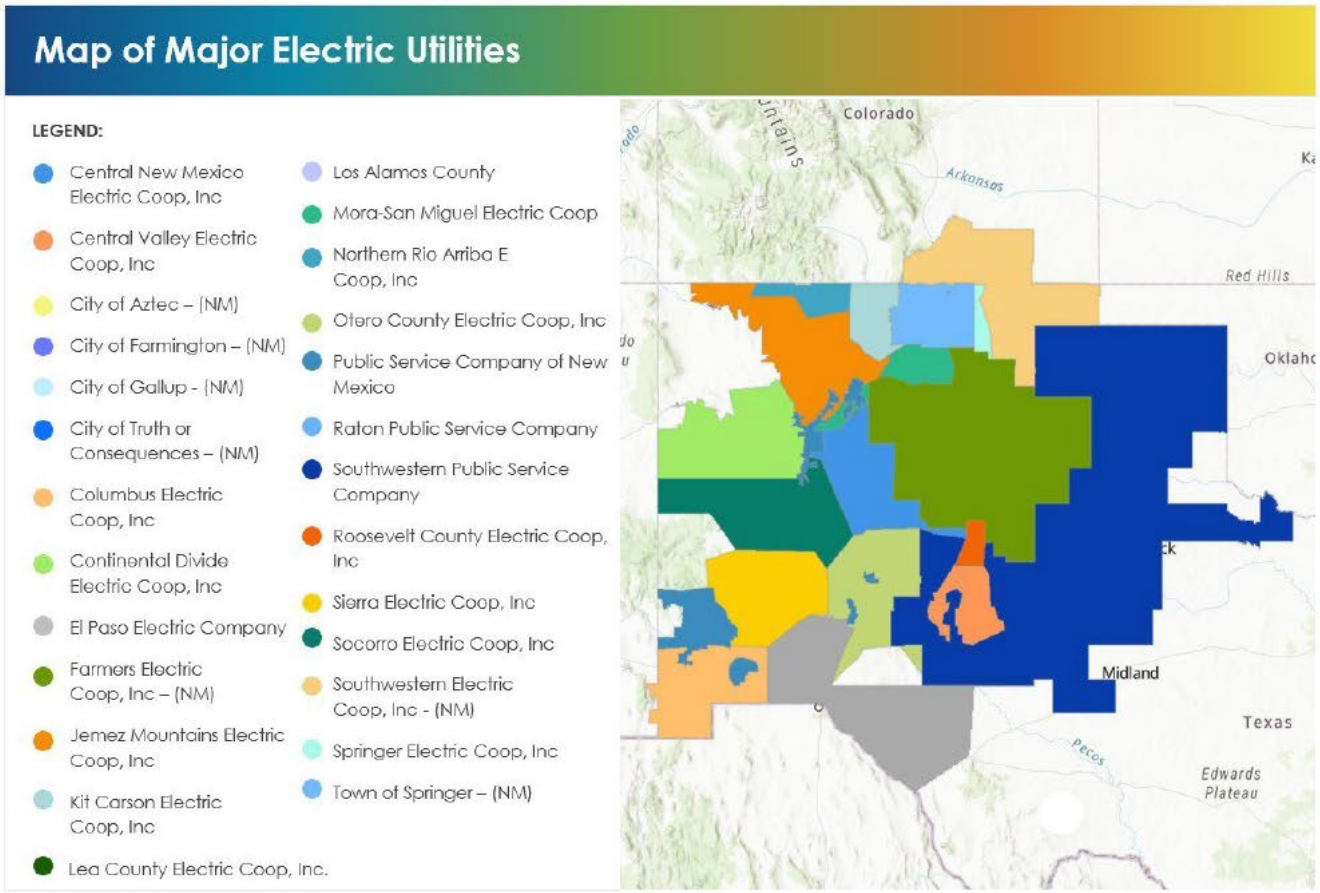
Electricity & EV charging

Examples: *Public EV Chargers, Electric Forklifts, EV Fleet chargers*	
Mandatory reporting under CTFP?	Opt-in (voluntary)
Who is the pathway holder?	NMED – adopted annually under 20.2.92.206 NMAC or NMED under 20.2.92.201 NMAC for renewable electricity
What is the pathway type?	EDU fuel pathway, or Table 4, NM Statewide Fuel Pathway Lookup Table
Who is the fuel reporter?	The owner of the fuel supply equipment (FSE)
How do I know which FPC to use?	Use the FPC associated with the utility that provides electricity to the FSE.
Where is it accessed?	In CTFP-ARCS when electricity is selected, or in EDU CIs Table & Methodology (PDF) or EDU CI Calculations (XLSX)

Spotlight: Map of EDUs in New Mexico

Electricity Providers

Map of Major Electric Utilities



10 major utilities by customer base:

- Public Service Company of New Mexico (50.46%)
- Southwestern Public Service Company (11.69%)
- El Paso Electric Company (9.7%)
- City of Farmington (4.2%)
- Jemez Mountains Electric Cooperative (2.93%)
- Kit Carson Electric Cooperative (2.8%)
- Continental Divide Electric Cooperative, Inc (2.21%)
- Otero County Electric Cooperative, Inc (1.87%)
- Central New Mexico Electric Cooperative, Inc (1.73%)
- Central Valley Electric Cooperative, Inc (1.42%)

https://www.emnrd.nm.gov/ecmd/wp-content/uploads/sites/3/2023-New-Mexico-State-Energy-Security-Plan-FINAL.pdf

Electricity: What's my FPC?

Grid electricity	→	List of EDU FPCs
Onsite renewable electricity	→	Renewable Electricity FPC
Offsite renewable electricity	→	Renewable Electricity FPC

For example…

Spotlight: Reporting renewable electricity

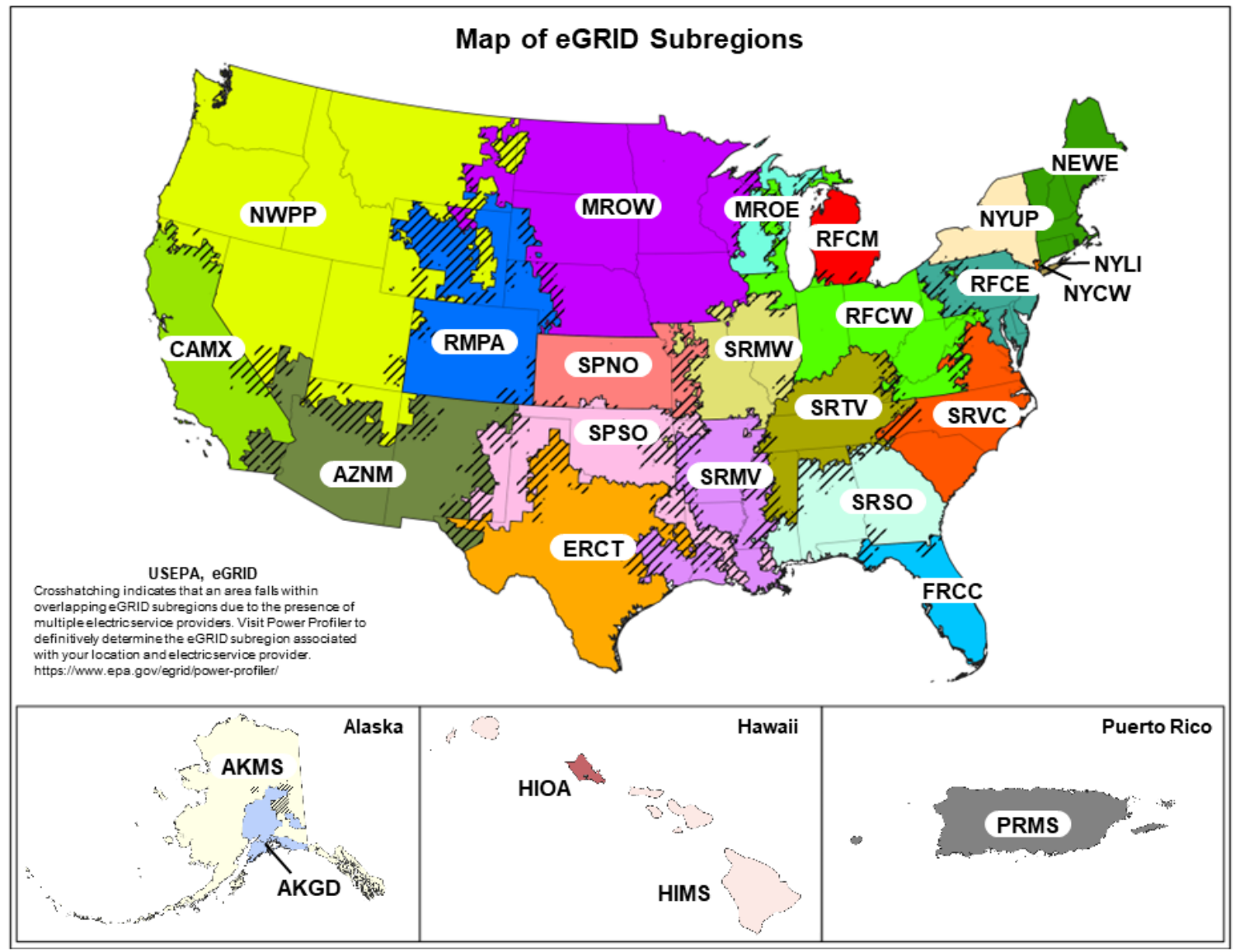
Onsite Renewable Electricity

- Must apply to the department before using the renewable electricity FPC
- Use the renewable electricity FPC for the portion that is generated onsite

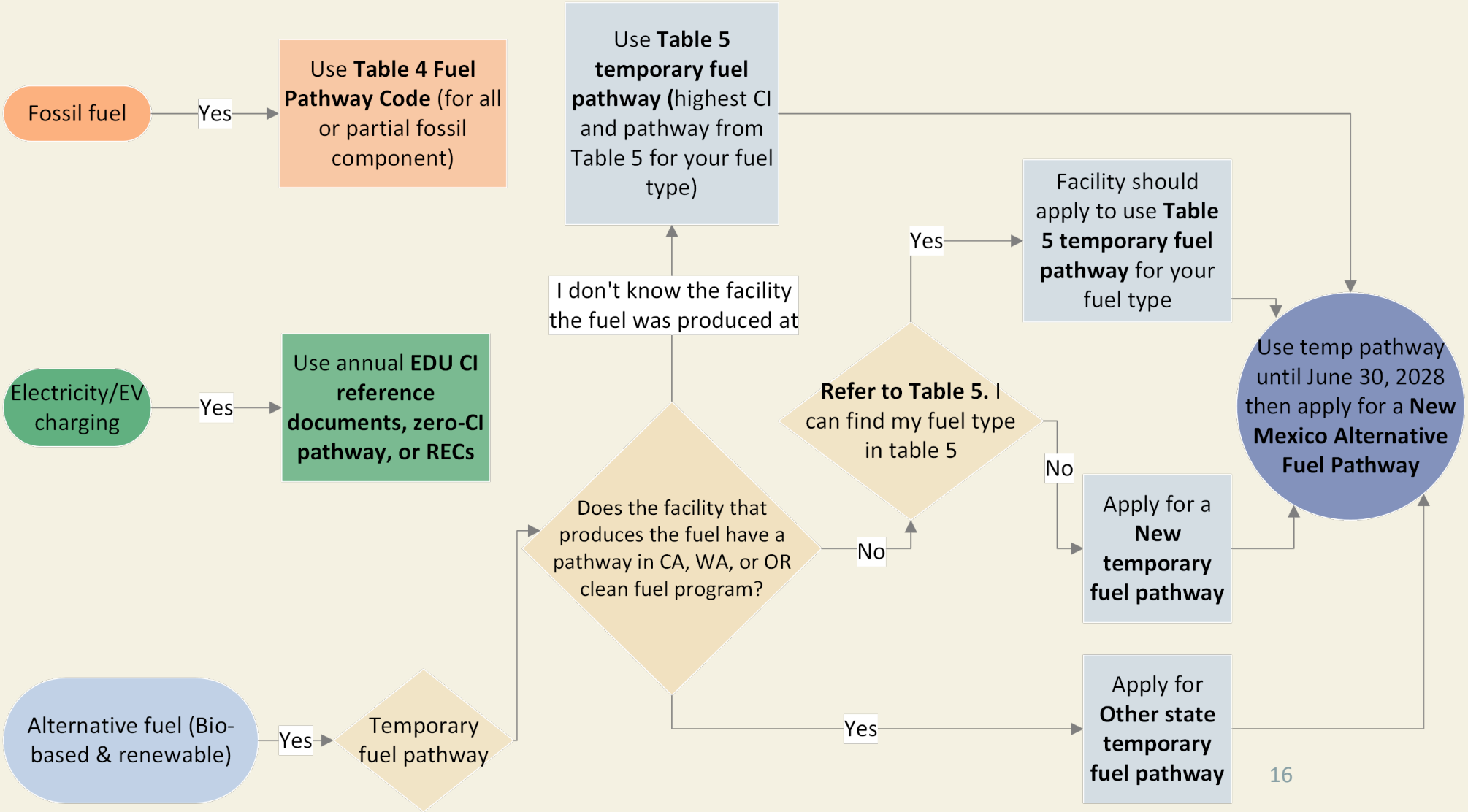
Offsite Renewable Electricity

- Does not need to apply to the department before using the renewable electricity FPC
- Must retire RECs
- RECs must be generated at a facility in the same eGRID subregion

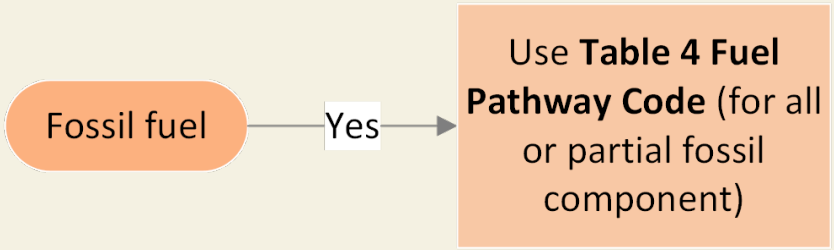
Spotlight: Reporting offsite renewable electricity with RECS



Paths to fuel pathways



Paths to fuel pathways: fossil fuel



Fossil fuel pathways

Examples: *Gasoline, Diesel, Fossil CNG, Fossil LNG, Fossil LPG*	
Mandatory reporting under CTFP?	Yes
Who is the pathway holder?	NMED under 20.2.92.201 NMAC
What is the pathway type?	Table 4, NM Statewide Fuel Pathway Lookup Table
Who is the fuel reporter?	**Liquid Fuel**: The importer/producer, and any downstream organization accepting obligation from a business partner **Gaseous Fuel**: The dispenser of the fuel
How do I know which FPC to use?	Find your fuel in Table 4 and use FPC to report a transaction or the *fossil component of a transaction*
Where is it accessed?	In CTFP-ARCS when a fossil fuel is selected, or in the CTFP Administrative Code 20.2.92 NMAC

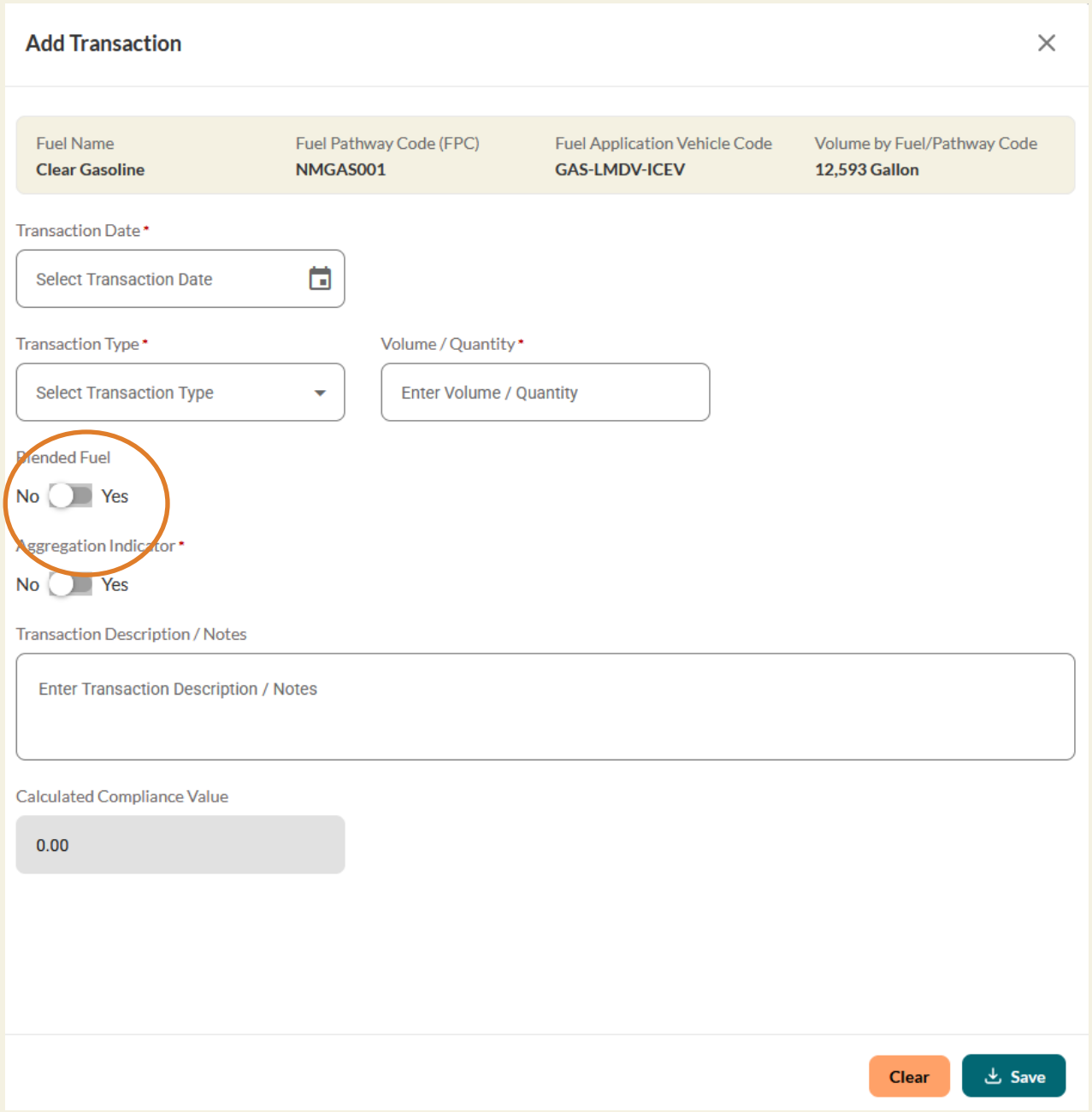
Fossil fuels: What's my FPC?

Clear gasoline	→	**NMGAS001**
Clear diesel	→	**NMULSD001**
Compressed Natural Gas	→	**NMCNG001**
Liquified Natural Gas	→	**NMLNG001**
Liquified Petroleum Gas/Propane	→	**NMLPG001**

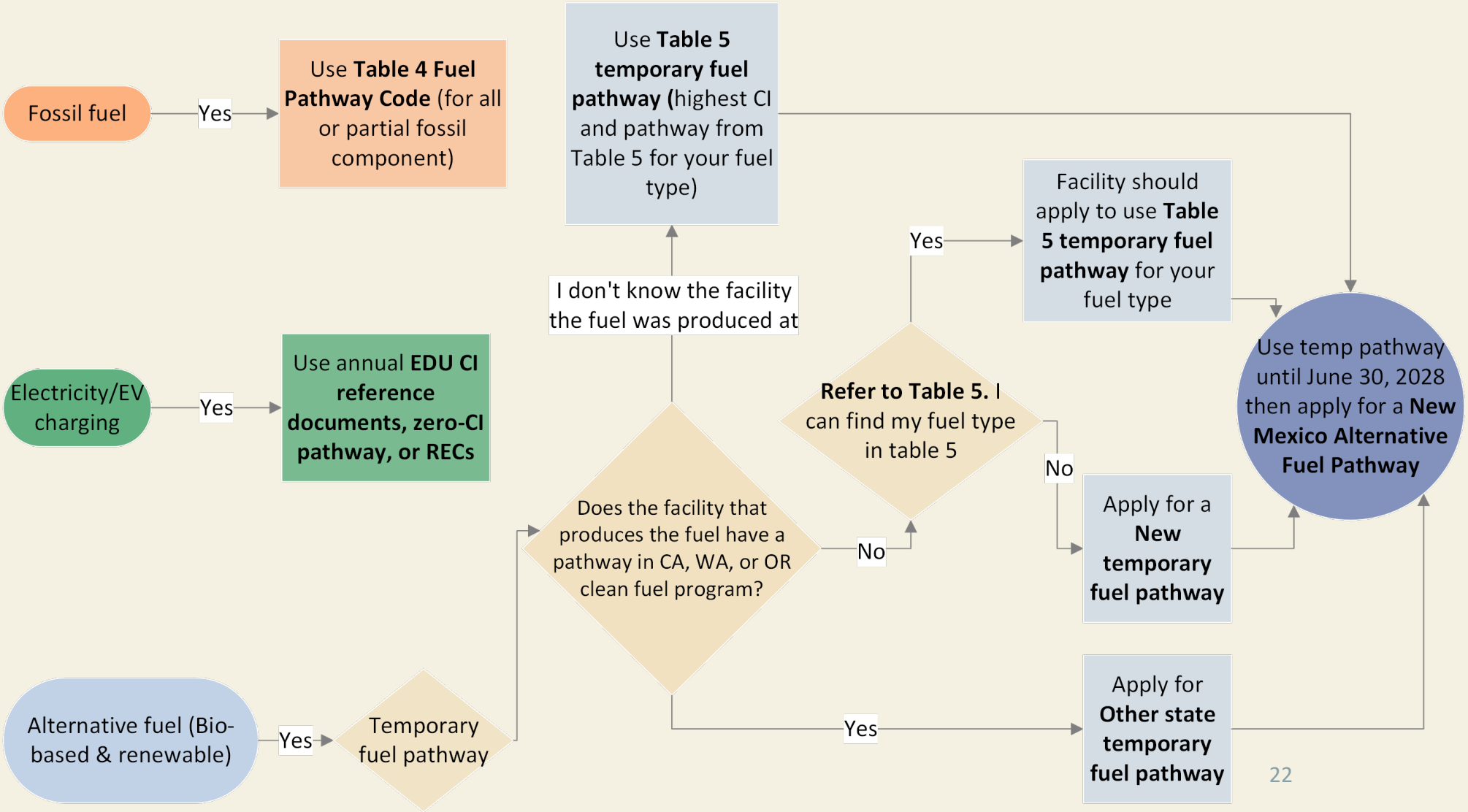
Spotlight: blended fuels

Examples: *E10 Gasoline, E85 Gasoline, B5 Diesel, R10 Diesel*	
Mandatory reporting under CTFP?	Yes
Who reports?	**Liquid Fuel**: the organization that imports/produces fuel in NM, or accepts obligation from a business partner
How is it reported?	Fossil and bio-based component are reported **separately**. Each transaction should be marked as a part of a blended fuel.
What fuel pathway should I use?	**Fossil component**: Table 4 Fuel Pathway **Bio-based component:** Temporary or Alternative Fuel Pathway

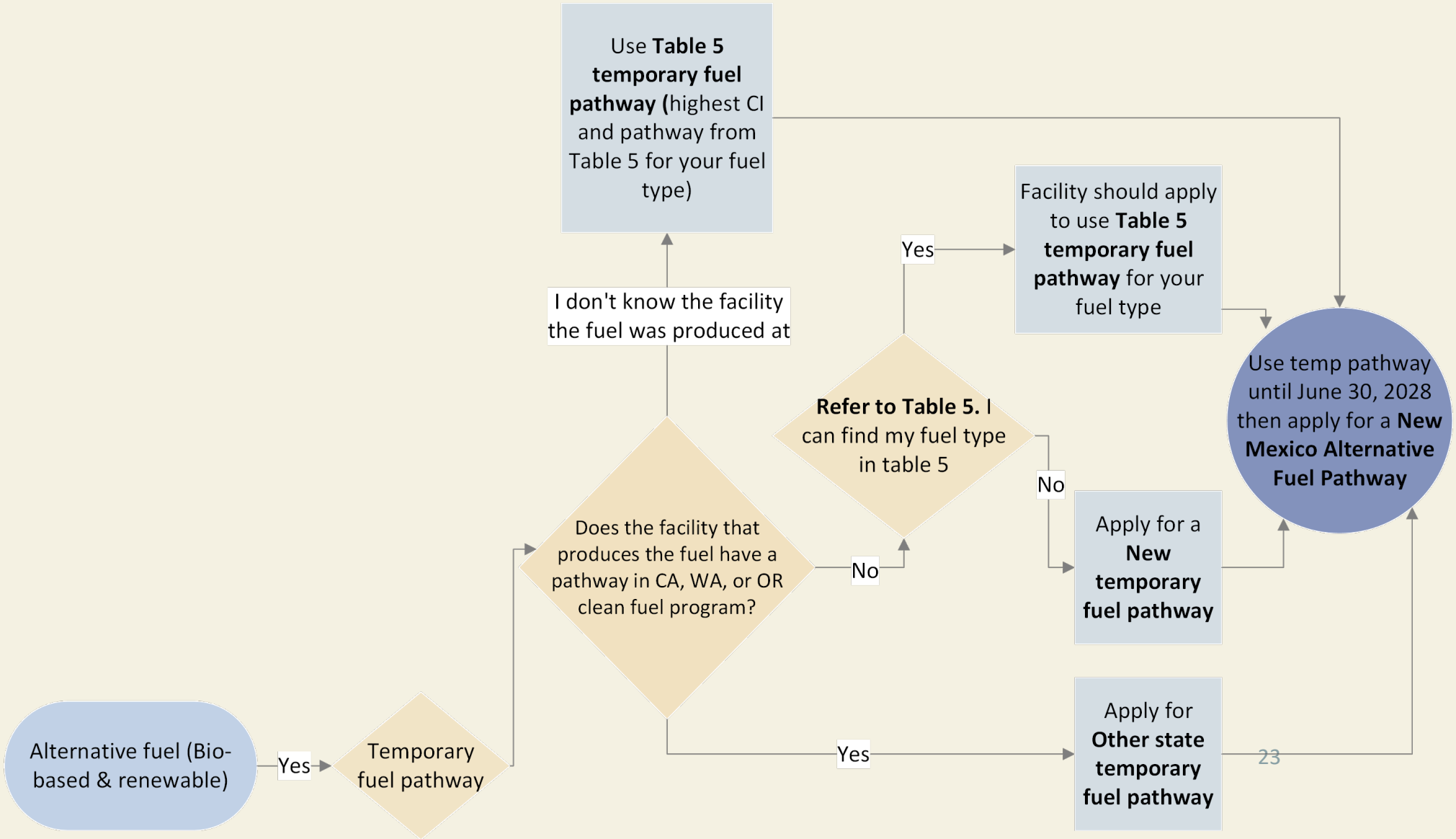
Spotlight: Reporting blended fuels



Paths to fuel pathways



Paths to fuel pathways: Bio-based & renewable

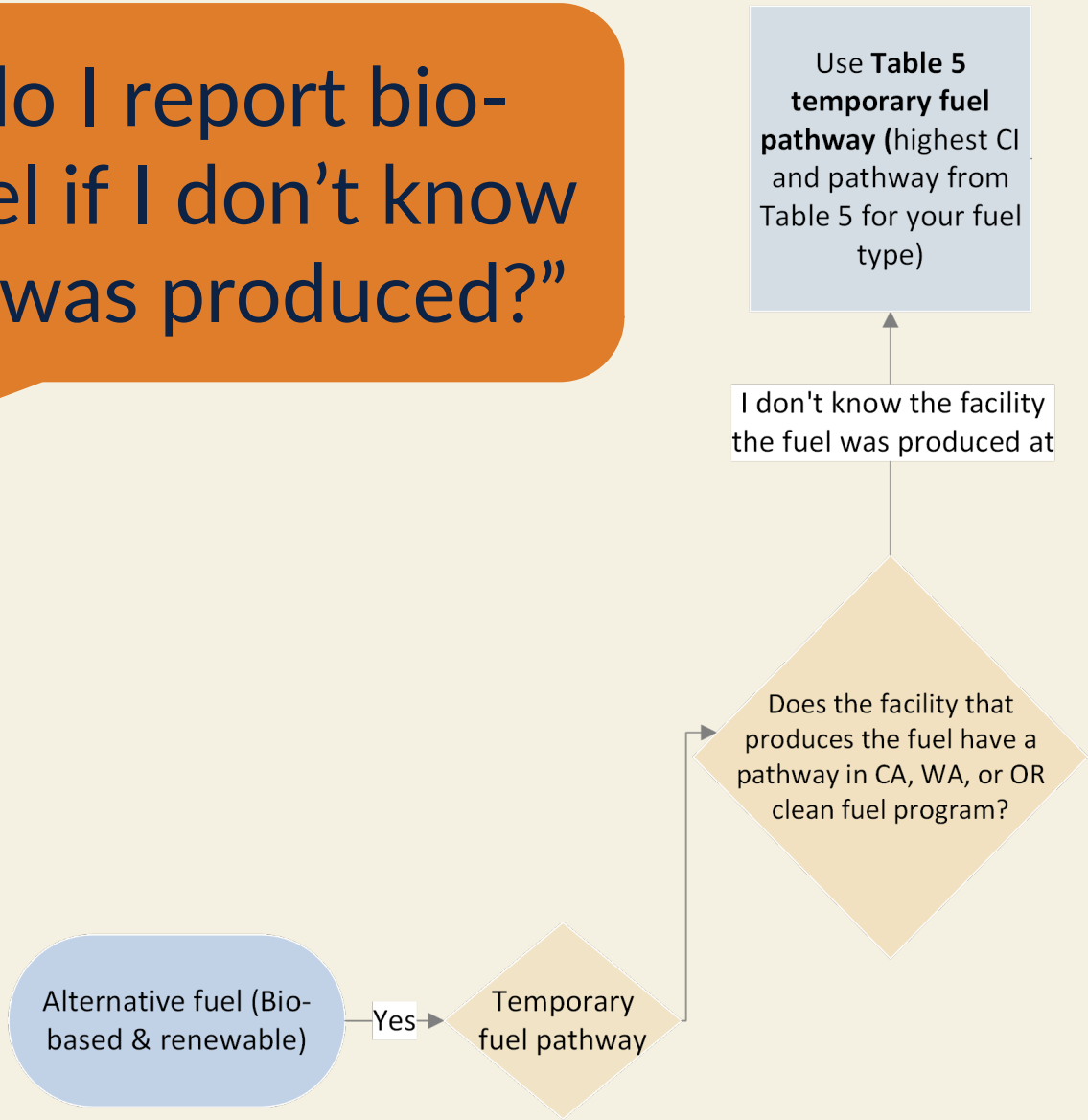


Bio-based fuel

Examples: *Ethanol, Biodiesel, Renewable Diesel, Biomethane/RNG*	
Mandatory reporting under CTFP?	Yes, except: biomethane, renewable LPG, AJF (opt-in)
Who is the pathway holder?	Typically the fuel production facility
What is the pathway type?	1. Table 5 temporary pathway 2. Other state temporary pathway 3. New temporary pathway 4. New Mexico Alternative Fuel Pathways "permanent" • Based on pathway in another state + Novel to New Mexico: Tier 1 Tier 2
Who is the fuel reporter?	**Liquid Fuel**: The importer/producer, and any downstream organization accepting obligation from a business partner **Gaseous Fuel**: The dispenser of the fuel
How do I know which FPC to use?	
Where is it accessed?	• Published excel sheet of approved fuel pathways • Email correspondence with NMED after applying

Paths to fuel pathways: Table 5 temp pathway: unknown facility

"How do I report bio-based fuel if I don't know where it was produced?"



Biofuels pathway FAQ 2

"How do I report bio-based fuel if I don't know where it was produced?"

Bio-based fuels with unknown facility: What's my FP

Ethanol	→	**NMETOH001**
Biodiesel	→	**NMBD001**
Renewable Diesel	→	**NMRD001**
Renewable Naphtha	→	**NMRN001**

Biofuels pathway FAQ 3

"Can I still apply to use a temporary FPC?"

- Applications to use a temporary FPC due within 45 days of the end of the quarter
  - Deadline for Q2 2026 → August 15, 2026
  - Deadline for Q3 2026 → November 15, 2026
- Send us the request and we will try to make it available for reporting

Biofuels pathway FAQ 4

"What is required for a fuel pathway that includes avoided methane emissions?"

- Facilities with a fuel pathway that includes avoided emissions in another state may use a **temporary** fuel pathway with avoided emissions in New Mexico

- Attestations will be required for New Mexico Alternative Fuel Pathway, including ones based on another state's fuel pathway

Biofuels pathway FAQ 5

"When is REC / RTC retirement documentation required?"

- During quarterly reporting for renewable electricity and renewable natural gas
- For fuel pathways using renewable electricity and renewable natural gas for process energy:
  - Retire quarterly
  - Report annually

Carbon intensities: Certified, operational, and temporary

Mostly for bio-based pathways:

Certified carbon intensity

The "projection": carbon intensity approved by the department in alternative fuel pathway application.

Operational carbon intensity

The "actual": means a transportation fuel's carbon intensity based on operating data from the fuel production facility and feedstock production.

Temporary carbon intensity

The carbon intensity associated with a temporary fuel pathway.

Biofuels pathway FAQ 6

"Are my credits going to be 'trued up' from using a temporary FPC?"

It depends…

- The temporary carbon intensity used for reporting **must be higher** than the operational carbon intensity.

- If the Department determines the operational CI was higher:
  - NMED replaces temporary carbon intensity with the operational carbon intensity in CTFP-ARCS
  - NMED adjusts the credit balance for the period for which the temporary fuel pathway was used.

Biofuels pathway FAQ 7

"Are my credits going to be 'trued up' from using a temporary FPC?" continued

Table 5 temporary pathways

Table 5 Temporary Fuel Pathways	
Who calculates temporary CI?	NMED, using NM GREET and safety factors
When is an operational CI calculated for a Table 5 temporary pathway?	**During application** for a New Mexico Alternative Fuel Pathway (AFP)
Source & calculator for operational CI	Your operational data in AFP application using Tier 1 or 2 calculators
When will a true-up happen?	**During AFP Application**
What will be considered?	• If operational or new certified CI are higher than the temporary CI • If higher new certified CI is due to a safety factor

Biofuels pathway FAQ 8

"Are my credits going to be 'trued up' from using a temporary FPC?" continued

Other state temporary pathways

Other State Temporary Fuel Pathway	
Who calculates temporary CI?	Other state's process already calculated CI
When is operational CI calculated?	**Annually** - for other state fuel pathway **During application** for a New Mexico Alternative Fuel Pathway (AFP)
Source & calculator for operational CI	Other state annual fuel pathway report(s) New Mexico AFP Application
When will a true-up happen?	**During AFP Application**
What will be considered?	• Pathway compliance in the other state • If differences in CI only due to transportation distance, transportation method, and calculator

Program fees

Fee Type	Who Pays?	When?	Amount
Registration Fee	Fuel Reporter	One-time fee upon registration, before account is activated	$3,000
Annual CTFP Fee	Fuel Reporter	Annual: after first quarter of reporting, and then by July 1 each year after	Based on CTFP budget and number of credits and deficits generated
Fuel Pathway Application Fee	Fuel Pathway Applicant	One-time fee upon application	Tier 1: $5,500 Tier 2: $15,000
Temporary Fuel Pathways	No Fees		

What's next?



Determine if you are regulated (mandatory) v. opt-in (optional) **Register ASAP if regulated.**



Collect necessary information for fuel pathway based on fuel type: fossil, electricity, or bio-based fuel



Liquid fuel QFR: Report fuel transactions by Oct 15 **and reconcile with business partners by November 23.**

Electric, gaseous QFR: Report fuel transactions including FSE **by November 23, 2026**



First reporting deadline. To claim credits for activity between April 1 – June 30, calendar Q2, report data in ARCS by **November 23.**



NMED will deposit **first credits and deficits in winter of 2026**

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

Questions **about fuel pathways** : AFP.CTFP@env.nm.gov

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3. Once you submit your email, scroll down to the Climate Change Bureau section and check the box for “Clean Fuel Standard”

Our updated **website**:

https://www.env.nm.gov/climate-change-bureau/clean-fuel-program/

Thank you!



NMED Climate Change Bureau