



November 17, 2025

Pamela Jones
Environmental Improvement Board
New Mexico Environment Department
1190 St. Francis Drive
P.O. Box 5469
Santa Fe, NM 87502

Re: EIB 25-23(R), Proposed Adoption of 20.2.92 NMAC – Clean Transportation Fuel Program

Dear Ms. Jones:

Amp Americas (“Amp”) appreciates the opportunity to comment on the proposed regulatory changes for adoption of new rule 20.2.92 NMAC – Clean Transportation Fuel Program (“CTFP” or “Program”). Amp appreciates the New Mexico Environment Department’s (“Department”) leadership in promoting investment in clean transportation fuels, and strongly supports the adoption of the CTFP.

We endorse comments submitted by the RNG Coalition, and emphasize that avoided methane crediting and book-and-claim accounting mechanisms are absolutely critical to supporting renewable natural gas (“RNG” or biomethane) projects, associated methane emission reductions, and the CTFP’s overall objectives. In particular, Amp:

- Supports avoided methane crediting as an important and scientifically sound element of the technologically neutral program
- Supports book-and-claim accounting for biomethane and molecules, in addition to electricity

About Amp

Founded in 2011, Amp develops, owns, and operates RNG facilities that convert dairy waste into renewable energy. Over our history, Amp’s projects have prevented over 2.6 million metric tons of carbon equivalent emissions, and we hope to rapidly expand our impact over the next several years, provided sufficient market conditions exist to support continued project development.

As a pioneer in the dairy RNG industry, Amp registered the first 5 dairy RNG-to-CNG pathways and supplied RNG for the first 11 dairy RNG-to-hydrogen pathways. Our experience developing, operating, and reporting on these and other assets gives us a unique perspective on the impact the CTFP can have on investment and project development related to low carbon fuels. Our projects and resulting methane and carbon dioxide reductions have been made possible by

similar clean fuel policies, and we encourage the Department to implement a technology-neutral, performance-based policy framework that will allow the CTFP to support market competition for a wide array of clean fuels and reduce the carbon intensity of New Mexico's transportation fuel at the lowest cost.

Rapidly Reducing Potent Methane Emissions Critical to Addressing Climate Change

Methane is a potent greenhouse gas ("GHG"), with a global warming potential over 80 times greater than carbon dioxide ("CO₂") over a 20-year period, and it is responsible for up to 45% of current warming effects.¹ However, it is also short-lived in the atmosphere – existing for about a decade, compared to over a century for CO₂ and other long-lived gasses – which means that reducing methane emissions in the near-term presents a tremendous opportunity to rapidly reduce the impacts of climate change and may be the most important action we can take to do so.²

Per the United Nations ("UN"), "if the world is to achieve the 1.5°C temperature target, it must make deep methane emission reductions."³ The UN Environment Programme's 2021 *Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions* states:

Reducing human-caused methane emissions is one of the most cost-effective strategies to rapidly reduce the rate of warming and contribute significantly to global efforts to limit temperature rise to 1.5°C. Available targeted methane measures, together with additional measures that contribute to priority development goals, can simultaneously reduce human-caused methane emissions by as much as 45 per cent, or 180 million tonnes a year Mt/yr, by 2030.⁴

Avoided Methane Crediting is Critical to RNG Project Development

Dairy biogas projects are low cost in terms of GHG reductions, but high cost in terms of energy production. In order to sustain investment in these projects and continued methane reductions, avoided methane must be accounted for and valued. That's why clean fuels policies that account for avoided methane, like California's Low Carbon Fuel Standard, have succeeded in scaling dairy digester and RNG development, when other approaches have not: lifecycle

¹ IPCC, 2021: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge University Press. See Summary for Policymakers, Figure SPM.2 (Warming Contributions).

https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf

² Pope, Carl, "What Environmentalists Like Me Got Wrong About Climate Change." *The New York Times*, June 23, 2025. <https://www.nytimes.com/2025/06/23/opinion/climate-change-methane-natural-gas.html>

³ <https://news.un.org/en/story/2021/10/1104492>

⁴ UN Environment Programme, *Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions*, dated 2021 (<https://www.unep.org/resources/report/global-methane-assessment-benefits-and-costs-mitigating-methane-emissions>)

accounting explicitly values avoided methane emissions, which supports low-cost climate mitigation, where energy-only markets cannot.

Including avoided methane crediting in the CTFP is absolutely critical to the viability of dairy RNG projects under the Program. Dairy digester projects cost tens to hundreds of millions of dollars and take 2-3 years to develop and construct. Financing and total project costs are tied to ongoing revenue streams, and limiting the availability of methane crediting will significantly increase costs and make project financing difficult, if not impossible, for dairy digesters with a 20+ year expected project life.

Dairy digester projects also have real and significant operating and maintenance costs, including significant capital investments required to periodically replace the digesters themselves. They rely on continuous revenue streams to remain viable, and it is incorrect to assume – as some suggest – that once a digester is built, it will continue operating and avoiding methane emissions in perpetuity. The simple fact is that when costs exceed revenues, digesters will cease to operate, and the associated methane and carbon reductions will cease to materialize.

Those were the conditions that clearly existed before policies began valuing avoided methane emissions. Ultimately, avoided methane crediting provides the source of revenue for these projects that allows developers to invest and operators to maintain the projects. If in the future, farm methane emissions are regulated directly, milk buyers will foot the bill for reducing emissions through milk prices or government will directly subsidize digesters. But until then, avoided methane crediting is the only proven way to support the development, ongoing operations, and associated emissions reductions that dairy digesters provide.⁵

Book-and-Claim Accounting for Biomethane and Electricity should be Treated Equally

Just like a renewable electricity project connecting to the electricity grid, any biomethane injected into the pipeline system under the CTFP displaces fossil natural gas that would otherwise be delivered to New Mexico. Unlike the fragmented and isolated electricity markets in the western U.S., the North American natural gas system is deeply interconnected. This system has moved away from point-to-point delivery models, adopting trading hubs and flexible receipt and delivery points to provide customers with a variety of market options.

The North American natural gas market operates similarly to a book-and-claim system, where buyers do not physically receive the exact molecules of gas injected by their supplier. Instead, they receive an agreed-upon amount of gas based on a mass-balance that corresponds to the supplier's injection elsewhere in the system. This approach has proven efficient for managing natural gas supplies across the continent. It should continue to be leveraged to decarbonize gas end uses effectively and affordably. Under the CTFP, RNG should be treated on equal footing

⁵ Freer-Smith, P., Bailey-Bale, J. H., Donnison, C. L., & Taylor, G. (2023). *The good, the bad, and the future: Systematic review identifies best use of biomass to meet air-quality and climate policies in California*. **Global Change Biology Bioenergy**, 15(11), 1312–1328. <https://doi.org/10.1111/gcbb.13101>

with fossil natural gas and with renewable electricity—the CTFP should utilize book-and-claim for RNG pathways and avoid imposing unnecessary deliverability requirements.

In summary, the Program is a critical tool to help deliver a wide array of clean fuels to New Mexico's transportation sector. Robust avoided methane crediting is critical to accurate and fair carbon intensity accounting and delivering the lowest cost clean fuels to market, in line with CTFP objectives. Book-and-claim accounting for molecules, including biomethane, will leverage the existing natural gas system to deliver low cost RNG to the New Mexico market, just as book-and-claim accounting for electricity can for renewable electrons. Claims that these provisions do not deliver real emissions reductions are simply incorrect – these provisions enable new RNG and methane-reducing projects to be developed, which deliver additional methane emissions reductions with outsized climate benefits. By including avoiding methane crediting or and book-and-claim accounting for molecules, the CTFP will best support projects that reduce methane emissions and deliver low carbon fuels to New Mexico.

Thank you again for the opportunity to comment on the proposed regulatory changes for adoption of the CTFP. We appreciate your consideration of these recommendations and welcome continued engagement as the rulemaking process progresses. Please do not hesitate to contact us for further information or clarification.

Sincerely,

Cassandra Farrant

Cassandra Farrant
Head of Environmental Programs and Regulatory Affairs
Amp Americas