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Creating factory farm biogas starts with putting cow manure into an "anaerobic digester." There, bacteria break down the waste, producing methane and other gases as well as leftover solid and liquid waste called digestate. The biogas is then treated to produce methane nearly identical to fracked gas. Factory farms sell and transport this methane by expanding and tapping into fossil fuel pipelines.

New Mexico's Model: California's Low Carbon Fuel Standard
The Low Carbon Fuel Standard (LCFS), a California program, was developed with the intention of reducing the climate footprint of transportation fuels in California. The program set a statewide "carbon intensity" standard for transportation fuels and created a marketplace to buy, trade and sell "credits" based on whether fuels are above or below the standard. This carbon intensity value is based on how much greenhouse gas the fuel in question emits.

Under the LCFS, California regulators adopted a policy called "avoided methane crediting" that has perverted the program into a lucrative new revenue stream for the largest and most polluting factory farms.

The California LCFS assigns massively negative "carbon intensity" values to factory farm biogas. Factory farm biogas is the only fuel source assigned these massively negative ratings - wrongly ranking it cleaner than solar and other true renewables. This means factory farms receive a disproportionate number of "credits" to sell back into the marketplace. This scheme has kicked off a biogas bonanza, with hundreds of factory farms in a dozen states monetizing their pollution in order to sell credits into the LCFS.

Companies producing fuels deemed to have a higher "carbon intensity" - such as fossil fuels - can offset their emissions by buying factory farm biogas credits. This allows Big Ag operations to sell credits to Big Oil, which passes those costs onto consumers at the pump and exacerbates impacts on frontline communities, which are largely low-income communities of color.

New Mexico's Program: What is the Clean Transportation Fuel Program and what does it do?
New Mexico's Clean Transportation Fuel Program (CTFP) mandated by bill HB41, passed in 2023, calls for a program similar to California's LCFS by creating a statewide "carbon intensity" standard for transportation fuels and a marketplace to buy, trade and sell "credits".

The New Mexico Environment Department (NMED) has proposed new rules for the program, in which agency staff developed standard values for factory farm biogas that are far less problematic that what happens in California's LCFS. However, there is also a dangerous loophole - if a fuel supplier already has a pathway into another state program (like California), then those carbon intensity values will transfer over to the New Mexico program, superseding NMED's analysis and more conservative approach. This means that biogas could still receive a massively negative carbon intensity rating, replicating the perverse and counterproductive dynamics in the LCFS.

What are the risks of the Clean Transportation Fuel Program?
Promoting factory farm biogas means rewarding and entrenching the biggest polluters in the factory farm industry. This is hardly a solution for the climate crisis, and a disaster for

environmental justice.

Digesters don't eliminate or even reduce factory farm waste. They extract the methane that could have been avoided in the first place with better manure management practices, and also leave behind digestate, which is the manure and other pollutants in a more concentrated form.

These programs don't incentivize responsible manure management or encourage farms to minimize their waste. In fact, by creating a market for manure, the factory farm gas industry and the government subsidies it receives actually incentivizes more waste and bigger factory farms that produce even more greenhouse gases and exacerbate the negative impacts of industrial factory farming on frontline communities. These types of laws create a perverse incentive, in which the policy creates pathways for bad actors to profiteer off the climate crisis

Impacts of factory farms
New Mexico's mega-dairies continue to expand, each confining an average of 3,685 cows in 2022 20% more than just five years earlier. As mega-dairies expand, smaller-scale dairies struggle to survive. New Mexico saw the total number of family-scale dairies fall by 44 percent from 2017 to 2022 alone. That is because of policy choices that incentivize the biggest to get bigger, leaving small and medium-sized farms behind.

What's to be done?
The CTFP proposed rules are currently with the Environment Improvement Board for their consideration. It is crucial that they remove the loophole allowing factory farm biogas operations to bypass NMED's analysis and rely on California, so that it does not enrich and entrench factory farms and instead prioritizes truly clean renewables, like solar.
We should not be importing bad policy from California into New Mexico, especially when that policy has led to numerous legal challenges and is opposed by environmental and environmental justice advocates across California.