

National Oilseed Processors Association (NOPA) (Devin Mogler)

EIB 25-23 (R) - In the Matter of Proposed Adoption of 20.2.92 NMAC Clean Transportation Fuel Program - NOPA Comments



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Environmental Protection Division Director, Michelle Miano
Climate Change Bureau Chief, Claudia Borchert
New Mexico Environment Department
Harold L. Runnels Building
1190 St. Francis Drive, Suite N4050
Santa Fe, NM 87505

Via Electronic Submission

Re: EIB 25-23 (R) - In the Matter of Proposed Adoption of 20.2.92 NMAC Clean Transportation Fuel Program

Dear Director Miano and Bureau Chief Borchert:

On behalf of the National Oilseed Processors Association (NOPA), thank you for the opportunity to comment on the New Mexico Environment Department's ("Department") Discussion Draft of the Clean Transportation Fuels Program (CTFP) Rule. We appreciate the Department's consideration of our observations and recommendations. NOPA members have a strong and longstanding interest in policies impacting renewable fuels and feedstock sustainability.

Founded in 1930, NOPA represents the U.S. soybean, canola, flaxseed, safflower seed, and sunflower seed processing industries. Our 19 member companies operate 70 oilseed processing facilities across 20 states and collectively process over 98% of all soybeans in the United States. The oils and meals produced by our members are critical to food, feed, renewable fuels, and various industrial uses.

NOPA supports the intent of New Mexico's CTFP to reduce the carbon intensity of transportation fuels. We believe the program will play a key role in accelerating demand for biodiesel, renewable diesel, and sustainable aviation fuel (SAF), while also encouraging investment in low-carbon feedstocks and value-added agricultural opportunities.

We respectfully submit the following comments regarding the proposed rule:

1. Update ILUC Values Based on the Most Current Science

We urge the Department to revise its proposed approach to Indirect Land Use Change (ILUC) values by aligning it with the latest scientific modeling. To ensure consistency and scientific rigor, NOPA strongly recommends that the NM-GREET model apply uniform methodologies across all feedstocks. This includes integrating data from updated models such as Argonne GREET's Carbon Calculator for Land-Use and Land Management Change from Biofuels Production (CCLUB).

The Department proposes to adopt CARB's ILUC value of 29.1 gCO₂e/MJ for biomass-based diesel (BBD) from soy—cited in the draft rule—which was based on modeling that assumed a new production volume increase of 812 million gallons. This scenario is nearly four times greater than any actual market



increase observed, and its assumption that 680,000 acres of cropland would be converted has never been substantiated by real-world data.

More recent modeling shows significantly lower ILUC values. For example:

- Argonne GREET CCLUB (2023): 12.5 gCO₂e/MJ
- 40B SAF GREET CCLUB (2024): 12.2 gCO₂e/MJ

These results represent almost a 60% reduction from CARB's outdated figures. We strongly urge the Department to reflect these more accurate estimates in its rulemaking to maintain scientific integrity and avoid penalizing cleaner feedstocks.

Additionally, NOPA recommends the Department adopt **region-specific carbon intensity values** as seen in other programs (California LCFS, Oregon Clean Fuels, 40BSAF-GREET, 45ZCF-GREET), recognizing that some areas pose lower deforestation risks than others. Uniform ILUC values unfairly penalize feedstocks from regions like the U.S. and Canada, which are already subject to stringent sustainability and compliance standards.

Finally, NOPA is concerned that the Table 8-Indirect Land Use Change values included in the CTFP discussion draft may be susceptible to an interpretation that would harm the adoption of winter oilseeds, such as winter canola, and new market opportunities for NOPA members. Specifically, Table 8 includes ILUC values for six feedstock/fuel combinations, including "canola biodiesel or renewable diesel." In its 2024 R&D GREET Model update, Argonne for the first time qualified the canola represented in its R&D GREET model as "spring canola" with values for winter oilseeds similar to winter canola represented as "winter carinata," "winter camelina," and "winter pennycress." Argonne's recognition and differentiation of spring canola and winter oilseeds similar to winter canola is significant and sets a precedent the Environment Department could follow as it finalizes the CTFP. NOPA encourages the Environment Department to modify Table 8 to read "spring canola biodiesel or renewable diesel."

2. Support for Feedstock Attestation and Verification

NOPA strongly supports the draft rule's proposed attestation requirements for specified source feedstocks, particularly waste feedstocks. Rigorous verification protocols are essential to the credibility of low-carbon fuel programs. We support the Department's use of third-party verification, professional judgment, and risk-based assessments to ensure feedstock traceability and prevent fraud.

This issue has also drawn recent federal attention. For example, U.S. Treasury guidance on the 45Z Clean Fuel Production Credit excludes imported used cooking oil (UCO) due to significant verification concerns. The guidance notes risks including mislabeling of virgin palm oil as UCO and lack of transparency in source markets.

Given these concerns, we encourage the Department to coordinate closely with relevant federal agencies—such as the Department of Treasury, USDA, EPA, USTR, and U.S. Customs and Border Protection—as well as international counterparts like the European Commission, to ensure alignment on substantiation and recordkeeping protocols that maintain market integrity.

3. Opposition to Restrictions on Vegetable Oil Feedstocks



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While NOPA appreciates the need for regulatory compatibility to align with other state LCFS programs, including California, we urge the Department to continue to oppose restrictions on the use of vegetable oil as a biofuel feedstock. First and foremost, capping the use of vegetable oils will significantly increase fuel costs. Because vegetable oil is currently one of the most efficient and cost-effective feedstocks, limiting their use will constrain the supply of biodiesel and renewable diesel, which is already an important component of Washington's efforts to reduce greenhouse gas emissions and transition to cleaner energy sources and such an artificial limitation will create a supply-demand imbalance, driving up the costs of renewable diesel production and, consequently, the price at the pump for consumers.

By capping vegetable oil usage, it risks stalling the progress made to reduce carbon emissions by creating a bottleneck in renewable diesel production.

Vegetable oils, including soybean and canola oil, are efficient and cost-effective feedstocks. Restrictions would discourage innovation and investment at a time when states are seeking to rapidly decarbonize transportation sectors. We appreciate the lack of these restrictions in the proposal that supports American agriculture, established science and smart biofuels policy.

NOPA welcomes the opportunity to support New Mexico in developing a fair, science-based, and effective clean fuels program. Agriculture and oilseed processing play a vital role in reducing transportation emissions and building a more sustainable energy future.

We appreciate the Department's openness to stakeholder input and look forward to continued collaboration in shaping a CTFP that advances environmental goals while promoting domestic biofuels and supporting U.S. farmers and processors.

Sincerely,

Devin Mogler

Devin Mogler
President & CEO
National Oilseed Processors Association (NOPA)