

Submitted electronically at <https://nmed.commentinput.com/?id=Q7EpmKPeC>

September 12, 2025

Claudia Borchert
Climate Change Bureau (CCB) Chief
New Mexico Environment Department

Re: Proposed Clean Transportation Fuel Program Rule
Dear Ms. Borchert,

SRECTrade appreciates the opportunity to provide additional comments on updates to the proposed Clean Transportation Fuels Program (CTFP) rule published in May 2025. We appreciate NMED's consideration of previous public comments as reflected in updates in the currently proposed regulation, and hope the following suggestions can further improve the final rule.

Overall, SRECTrade supports the adoption of the CTFP rule and recognizes New Mexico's work in being a regional leader in developing low-carbon fuels markets.

Eligibility of Book-and-Claim RECs

The option to generate credits under a zero CI score using book-and-claim RECs is critical to many opt-in participants in the EV industry. However, **the proposed restriction of eligible RECs to facilities that begin operation on or after the effective date of the regulation is overly restrictive** (Section 20.2.92.206.E(a)(b)). Given the recent array of federal disincentives for new renewable energy systems (including loss of tax credits and changes to safe-harbor rules, foreign entity of concern limitations, broad tariffs as well as solar-panel specific tariffs, and permitting changes on federal land), the rate of construction of new renewable energy facilities is expected to decline, making an already restrictive eligibility requirement unworkable.

While we appreciate the intent of supporting new renewable energy developments, an overly restrictive requirement will likely result in REC prices that cannot be supported by the CTFP credit values, and thus no RECs will be purchased. **SRECTrade suggests a more balanced policy, such as restricting REC eligibility to renewable facilities that begin operation in 2018 or later.** These systems are still in the relatively early years of returning capital investment and would be meaningfully impacted by the ability to sell RECs into a CTFP market. At the same time, this would increase the supply of RECs available to CTFP participants and keep the costs viable relative to CTFP credit values.

Residential Credits for Vehicle Manufacturers

Section 20.2.92.403.C(1) creates the potential for vehicle manufacturers (i.e. OEMs) to generate a portion of the residential EV credits if thresholds on total EV sales in the state and specific OEM sales are met. We are concerned with the OEM eligibility threshold of having "annual sales of EVs of at least ten percent of all vehicle sales in NM for each model year...". According to [public EV data for New Mexico](#), *all* EV sales are currently only 5% of total vehicle sales in New Mexico, meaning no individual OEM is even close to the 10% eligibility requirement. This means **the credit generation opportunity for vehicle manufacturers, as currently drafted, is essentially unattainable.**

There are numerous additional headwinds that have arisen for the EV industry since the May 2025 CTFP regulation was published, including the loss of federal EV tax credits, tariffs on many vehicles

and materials, and a challenge to EPA waivers for setting zero-emissions mandates. In such a challenging time, NMED could take this opportunity to **support the EV industry by lowering (or eliminating) the eligibility threshold to make the credit generation opportunity reasonably attainable for vehicle manufacturers.**

Third-Party Verification

SRECTrade recommends **clarifying the phrase “electricity-based transfer types”** in section 20.2.92.508.B(4)(d) in regards to eligibility for less-intensive verification. “Transfer Types” is not defined or used elsewhere in the regulation, so the applicability of this phrase to credits generated by using electricity as a fuel is unclear.

Removing any exclusions for credits generated from electricity would be consistent with the direction taken by Ecology in the current rulemaking in Washington, which also removed this limitation. Reporting for supplying electricity as a fuel is far less complex than most other fuels, relying on straightforward metering and data management, and therefore it should also be eligible for Less Intensive verification.

Electric Transport Refrigeration Units (eTRUs)

SRECTrade recommends **aligning the eTRU credit generator with the facility owner.** This is consistent with the updates made in the amended California regulation as well as those currently contemplated in the Washington regulatory updates. The basis for this change is to make credit generator for eTRUs the entity that owns the eTRU charging equipment (or at a minimum the entity that owns the facility where the charging is done). This aligns the credits revenue with the entity making the investment in charging infrastructure.

For context, outside of hyper-local delivery operations, almost all TRUs are docked and charged by a logistics company that has no direct relationship with the TRU owner and therefore no way to generate credits. The TRU owner, in turn, has no means of collecting charging data from the variety of docks that a TRU may visit within its operations. Essentially eTRU charging is very similar to public EV Charging and the right to generate credits should be reflective of that.

Carbon Intensity (CI) Standard

Considering the significant credit value fluctuations and credit over-supply observed in other regulated low carbon fuels markets in recent years, we suggest CCB address in the regulation the possibility of needing to adjust Carbon Intensity standards or contemplate an Auto-Adjustment Mechanism in the future. For example, including a specific credit bank threshold or a specific timeline for CCB to evaluate carbon intensity targets would allow the program to establish operations and collect data with a straightforward Carbon Intensity standard, while also providing expectations for proactive management that can help support stable pricing in the long term. **Including a threshold for evaluating carbon intensity standards in light of excessive credit supply would provide a counter-balance to the program deferral mechanism included in section 20.2.92.601 that is currently missing.**

Program Fees

SRECTrade appreciates NMED’s updates to the regulation which make the application of fees more equitable amongst participants.

We request further clarification of the application of fees specifically for aggregators and the participants they represent. For example, would an aggregator be considered the credit generator and the parties they represent and report for qualify as ‘other registered parties’, particularly as it applies to registration fees?

Data Management System (CTFP-DMS)

Based on experience registering and reporting in the LRT-CBTS, WFRS, and OFRS platforms, SRECTrade and other industry members can make several suggestions that would result in a more efficient and clear Data management System. **We recommend NMED seek stakeholder input in the CTFP-DMS design and functionality in order to reduce burden on administrators and remove obstacles for participants.**

Thank you very much for your time and consideration as you review these comments.



Ryan Huggins
Director, Business Development
SRECTrade, Inc.

Addendum:

About SRECTrade

SRECTrade is a technology driven platform and service provider providing equitable access to complex regulatory markets. As one of the largest third-party managers of environmental commodities in the United States, we accelerate deployment of clean energy and clean transportation assets while minimizing the time, cost, and risk of participating in such complex regulatory programs. SRECTrade is a wholly owned subsidiary of Xpansiv.

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