

SOUTH CENTRAL REGIONAL TRANSIT DISTRICT

FuSE Credit Brokerage Agreement

BOARD REPORT | OCTOBER 2026

Submitted by: Liza Alonzo, Grants Administrator

Subject: Proposed FuSE Agreement for Clean Transportation Fuel Credit Brokerage

Purpose: Information and status update

Background

SCRTD is preparing to sell credits through New Mexico’s Clean Transportation Fuel Program as part of the District’s integrated transportation and energy initiative. Credit sales would provide an additional revenue source associated with eligible electric transportation activities and strengthen the financial return from the District’s fleet and charging infrastructure.

The proposed agreement with Energy Mission Control, Inc., doing business as FuSE Carbon Technologies, would provide brokerage services to market and sell SCRTD’s credits. Staff is preparing to support the District’s planned October 15, 2026 submission.

Proposed Agreement

FuSE would serve as a nonexclusive broker, with each sale subject to SCRTD’s written approval. The proposed agreement includes audit rights and termination provisions. FuSE’s proposed commission is eight percent of credit-sale proceeds.

The agreement covers brokerage services. SCRTD would retain responsibility for program registration, charging data, credit calculations, reporting, verification, and compliance with New Mexico Environment Department requirements. These responsibilities must be assigned to District staff or a separate qualified provider before transactions proceed.

Financial Implications

Based on projected gross credit sales of \$9,200 per month, the proposed commission would result in the following planning estimates:

Item	Monthly	Annual
Projected gross credit sales	\$9,200	\$110,400
FuSE commission at 8 percent	\$736	\$8,832
Projected SCRTD proceeds before other costs	\$8,464	\$101,568

These estimates exclude program fees, verification expenses, administrative costs, and any separately approved deductions. Actual revenue would depend on credits generated, market prices, and completed sales. The agreement does not guarantee revenue or monthly payments.

Staff Review and Recommended Revisions

The Executive Director's October 1 memorandum identifies revisions to be addressed before execution. Staff's review will focus on:

- **Protection and timely payment of proceeds:** Request remittance within five business days after FuSE receives cleared buyer funds, segregation of District proceeds, and direct buyer payment to SCRTD where practicable.
- **Settlement and buyer safeguards:** Clarify buyer screening, payment deadlines, credit-transfer timing, and responsibility for nonpayment or transaction reversals.
- **Program and account responsibilities:** Assign credit-generation and compliance duties and limit FuSE's ARCS account access to authorized transactions.
- **Competitive pricing:** Seek at least two documented offers or market indications when available and require advance approval of allocations in aggregated sales.
- **Legal and security protections:** Address recovery of direct losses, prompt notice of suspected unauthorized activity, and firm closeout deadlines following termination.
- **Contract completion:** Complete outstanding fields, obtain insurance documentation, confirm procurement compliance and signing authority, and incorporate promised services into the final agreement.

Staff will also compare the proposed commission with the other proposals using the same brokerage-only scope.

Next Steps and Board Action

Staff will coordinate with FuSE and legal counsel to prepare a revised agreement and identify any unresolved issues for the Executive Director. Staff will also confirm readiness for the planned October 15 submission.

This report is presented for information. The agreement remains proposed and subject to completion of the review and revisions described above. No Board approval is requested through this report.