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Senator Liz Krueger, Chair
Finance Committee
172 State Street, Capitol Building
Room 416 CAP
Albany, NY 12247

Assemblymember Helene E. Weinstein, Chair
Ways and Means Committee
LOB 923
Albany, NY 12248

RE: Joint Transportation Budget Hearing

Dear Chairs Krueger and Weinstein,

We greatly appreciate this opportunity to respectfully request the inclusion of a Clean Fuel Standard (CFS) in this year's budget. Clean Energy is North America's largest provider of renewable natural gas (RNG) transportation fuel. The California Air Resources Board has certified RNG as a carbon negative fuel. To create RNG we literally must capture emissions that would otherwise be released into the atmosphere from sources such as agricultural waste.

A clean fuel standard requires transportation fuel suppliers to reduce greenhouse gas emissions associated with the fuels they make and sell, **creating a more dependable market for clean fuels and technology that are essential to reaching the goals set out in New York's Climate Leadership and Protection Act (CLCPA)**. The largest source of greenhouse gas emissions in the State of New York is the transportation sector. With adoption of a clean fuel standard (CFS), also known as a low carbon fuel standard, New York would be able truly initiate a sector wide transition to clean fuels, improve public health, and help the state reach its climate goals.

A CFS was included in the Climate Action Council's draft scoping plan as one of the highest impact potential tools for decarbonizing transportation. Most importantly, emissions reductions and public health improvements would cost New York State nothing except for the modest administrative cost of the program.

A clean fuel standard would accelerate the transition to clean fueled vehicles by creating a new revenue stream for fleet operators like the MTA and public transit agencies, for-hire vehicle companies and delivery companies. According to NYSERDA, New York uses about 5.6 billion gallons of gasoline and 1.3 billion gallons of diesel in transport each year. If that amount of fuel was sold in California today, the total value available to clean fuel supplies would be \$1.423 billion, assuming a credit price of \$200/ton. In California in 2019, the clean fuel standard generated over \$2.5 billion in credit value and over 15 million metric tons of annual GHG reductions.

A CFS will create a market for organic waste thereby allowing New York to substantially reduce emissions from food waste, farms and sewage treatment plants. Clean Energy would also be able to expand its business footprint in the state. While we currently have over a dozen refueling stations in New York, including a contract to refuel 800 NYMTA buses, in California we have over 150 stations, primarily because of the states CFS (referred to as a low carbon fuel standard).

A CFS would reduce greenhouse gas emissions from the transportation sector by 20-30% in the next decade and reduce New York's dependence on petroleum-based fuels, which are the highest emitters of harmful pollutants, including particulate matter and nitrogen oxides, that are associated with negative health impacts. A new report¹ from SUNY ESF shows the significant greenhouse gas and co-pollutant emissions reductions from using bio-mass based diesel and RNG, rather than continuing to rely on harmful fossil fuels.

Clean fuels will reduce carbon pollution and particulate matter compared to conventional fuels. According to the University of California at Riverside, ultra-low-NOx engines running on RNG are 99.8% cleaner than conventional diesel engines with respect to emissions of nitrogen oxides that lead to health-threatening smog. A clean fuel standard with progressively stronger requirements will also ensure that carbon pollution continues to decrease.

There is broad support for a clean fuel standard from dozens of New York businesses, including agricultural groups, auto manufacturers, renewable fuel trade associations, biofuel producers, electric charging companies, and environmental advocates. We greatly appreciate your consideration of Clean Fuel Standard in this year's budget.

Regards,



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Clean Energy

¹ https://www.esf.edu/communications/news/documents/BBD_RNGwhitepaper.pdf