

Testimony of ClearFlame Engine Technologies
In Support of Including a Clean Fuel Standard
In the New York State Budget
Presented to the NYS Joint Legislative Budget Hearing
On Transportation
February 15, 2022

We respectfully submit this testimony into the record of today’s New York State Joint Legislative Budget Hearing on Transportation, in strong support of including a Clean Fuel Standard (CFS) in the New York State budget for the coming year.

Founded in 2016 as a Black- and Women-founded and led business, ClearFlame Engine Technologies is developing innovative technology to decarbonize the “hard-to-electrify” segments of the transportation sector, including long-haul trucking, agricultural equipment, and other offroad diesel engines. Our innovative technology complements ongoing electrification efforts by enabling the use of low-carbon biofuels (such as ethanol) in truck, farm, construction, and other engines that will not electrify anytime soon.

Our technology will help New York meet the climate goals of New York’s Climate Leadership and Community Protection Act (CLCPA). ClearFlame engines will provide long-haul truck fleets, farmers, the construction industry, and other offroad diesel engine users an opportunity to decarbonize their operations, eliminate their use of fossil fuels entirely, and eliminate the diesel particulate matter emissions that increase asthma emergencies and threaten health in disadvantaged communities that live with disproportionate levels of diesel pollution, while maintaining the efficiency, power, torque, and other performance characteristics of diesel engines that make them so well-suited for those uses. In other words, ClearFlame engines preserve the positive operating attributes of diesel engines—and eliminate the negative environmental impacts of the diesel fuel.

ClearFlame is a strong supporter of the CFS. We view the CFS as an important, complementary policy to the Advanced Clean Truck rule and other steps that New York is taking to meet the climate goals of the CLCPA. We believe that meeting the CLCPA’s goals will require the State to electrify cars, light trucks, school buses, and other vehicles that are ready to electrify, and to decarbonize all of the other engines that will not electrify anytime soon. This comprehensive approach is critical for two reasons:

- First, because it is clear that accelerating greenhouse gas emissions reductions at scale this decade is critical to avoid the most serious impacts of climate change and is a necessary complement to longer-term electrification and other transportation infrastructure investments; and

- Second, because most of the heavy-duty trucks, agricultural engines, construction equipment, and other offroad diesel engines sold in New York between now and 2035 will still use internal combustion engines for many years to come¹

As the Committee knows, transportation is the largest source of greenhouse gas emissions in New York. Building a market that rewards private sector investments in cleaner fuels and vehicle technology, improved health, and reduced greenhouse gas emissions and that disincentivizes our continued reliance on fossil fuels is critical to scaling up our clean transportation transition quickly and meeting our CLCPA goals.

The Climate Action Plan has included a CFS in its draft scoping plan as one of the highest impact potential tools for decarbonizing transportation. The CFS would accelerate the transition to low-carbon transportation by creating a new revenue stream for fleet operators like the MTA and public transit agencies, for-hire vehicle companies, last-mile delivery companies, and others who want to decarbonize their operation by switching to zero-emission vehicles and low-carbon fuels.

The CFS would generate unprecedented investment in zero-emission vehicle and low-carbon fuel infrastructure. Indeed, if New York simply adopted the California Low Carbon Fuel Standard (the first CFS in the nation and the model for the program proposed in the Clean Fuel Standard of 2021 bill (S2962A;A862A)) and continued using the same roughly 5.6 billion gallons of gasoline and 1.3 billion gallons of diesel that it currently uses in transportation each year, it would generate \$1.423 billion in funds that could be used to meet the CLCPA's decarbonization goals for transportation, assuming a credit price of \$200/ton. And, other than some modest administrative expenses, it would generate this annual investment with no additional tax revenue. It is hard to imagine a better investment in a healthier, more sustainable transportation future.

ClearFlame strongly urges the Legislative Budget Committees to include the CFS in the State's budget for the coming year. If you would like more information about ClearFlame or would like to discuss the topics outlined above, please contact BJ Johnson, Co-Founder and CEO, at BJ@clearflameengines.com.

Thank you for the opportunity to provide this testimony.

¹ New York has adopted two of the most ambitious transportation electrification policies for trucks, buses, and offroad equipment in the nation. The Advanced Clean Truck Rule, adopted by the Department of Environmental Conservation in December 2021, requires 55% of Class 2b-3 truck sales, 75% of Class 4 – 8 straight truck sales, and 40% of truck tractor sales to be zero-emission by 2035. New York's Zero Emission Vehicle law, signed into law in September 2021, requires all new trucks to be zero emission by 2045 and all new offroad diesel engines to be zero emission by 2035, in both cases where feasible. Given that the typical heavy-duty diesel engine can last for decades, complementary policies like the CFS are necessary to help ensure the success of these two programs and to decarbonize the liquid and other fuels that will continue to be used deep into mid-century.