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H2FCP letter of context regarding the draft 2025-2026 CTP Investment Plan

Additional submitted attachment is included below.

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December 5, 2025

The Honorable Nancy Skinner
Commissioner
California Energy Commission
2526 9th Street
Sacramento, CA 95814

RE: Docket 25-ALT-01. H2FCP observations regarding the 2025-2026 Clean Transportation Program (CTP) Investment Plan concepts.

Dear Commissioner Skinner:

On behalf of the Hydrogen Fuel Cell Partnership (H2FCP), thank you for your continued leadership in California's transition to clean transportation. We appreciate the thoughtful approach reflected in the 2025–2026 Investment Plan Update and value the California Energy Commission's commitment to engaging industry partners as the state advances its ZEV goals. In the collaborative spirit, we offer an observation, along with broader context from the fuel cell-electric vehicle and hydrogen community, for your consideration.

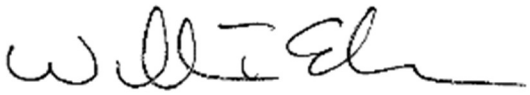
In the 2025-2026 Investment Plan Update, the CEC notes that hydrogen-dedicated funding may be reallocated if a solicitation is undersubscribed. We respectfully suggest that, in cases where hydrogen solicitations cannot be fully awarded, the Commission consider retaining these hydrogen-allocated dollars within hydrogen programs. While today's hydrogen infrastructure challenges are real, they are also temporary. In contrast, the need for hydrogen infrastructure is long-term and structural.

Preserving of hydrogen dedicated funds will reinforce California's commitment to this essential ZEV pathway. In turn, investor confidence will be strengthened, the light-duty retail market will stabilize, and the emerging medium- and heavy-duty fuel cell-electric truck markets will receive critical support. The key is consistent state engagement, reflected through funding decisions grounded in ongoing dialogue and patience as the hydrogen market matures under complex and rapidly shifting conditions (much like BEV deployments in the early 2000's). This approach also supports the Commission's responsibility to ensure that program funds are ultimately put to their highest and best use.

Continuing in this collaborative vein, we share H2FCP's recent submission to CARB's ZEV Forward proceeding, *The California Hydrogen Mobility Vision & Roadmap*, attached. This document reflects broad alignment among H2FCP members that fuel cell-electric vehicles across all weight classes are essential to achieving California's air quality goals through ZEV compliance in automotive, truck and transit. Alignment of the CEC Clean Transportation Program with this strategy's market deployment targets will help shape the infrastructure backbone upon which the state's ZEV program will depend.

We are grateful for the Commission's openness, its willingness to listen, and its steadfast leadership in this evolving space. H2FCP and its members stand ready to support the Commission however we can. Thank you again for the opportunity to offer these comments and for your continued partnership in advancing clean mobility for California.

Sincerely,



Bill Elrick
Executive Director

Attachment

California Hydrogen Mobility Vision & Roadmap

July 2025

Prepared by the Hydrogen Fuel Cell Partnership

Purpose & Methodology

California continues to demonstrate global leadership in reducing air pollution while expanding economic prosperity, despite having fewer tools than ever before.

Hydrogen technologies represent one of the few scalable options for achieving near-term emission reductions, including delivering real-world NOx and PM reductions to support California's SIP obligations, while simultaneously enabling the long-term success of a 100% zero-emission vehicle (ZEV) transition and fostering new economic growth.

This white paper builds upon California ARCHES Hydrogen Hub and other ZEV transition activities to provide a 'north star' vision and roadmap with clear deployment targets to accelerate hydrogen mobility, as identified in the Hydrogen Market Development Strategy.

It was developed through decades of real-world experience, existing state agencies, and other publicly available analyses, and extensive discussions among public and private participants to 1) inform stakeholders, 2) guide future policy and investment decisions, and 3) support the achievement of California's ZEV and air quality regulations.

Why Hydrogen & Why Now?

Hydrogen and fuel cell electric vehicles (FCEVs) are essential for California's comprehensive decarbonization strategy.

Emissions benefits from the initial market launch for hydrogen cars and trucks can eliminate over 600,000 metric tons of GHG, nearly 1,500 metric tons of NOx emissions, and over 730 million gallons of petroleum. The initial infrastructure launch can also provide nearly 4,000 new jobs in the California economy. These benefits grow exponentially as the market transitions to 100% ZEVs[1].

FCEVs provide rapid refueling, long range, and operational performance that meets the needs of both consumers and commercial fleets. With battery electric vehicles already advancing in many light-duty and last-mile applications, hydrogen technology offers a scalable, complementary path for light-, medium-, and heavy-duty transportation, where duty cycles demand high energy density and flexible refueling.

Hydrogen in mobility applications will also complement and enhance the state's energy sector by providing increased diversity, resilience, and expanded renewable integration. California's leadership is critical to transition the market from pilots to full commercialization and enable national and international market expansion. With SIP submittals due and federal funding windows closing, the next 18 months are make-or-break.

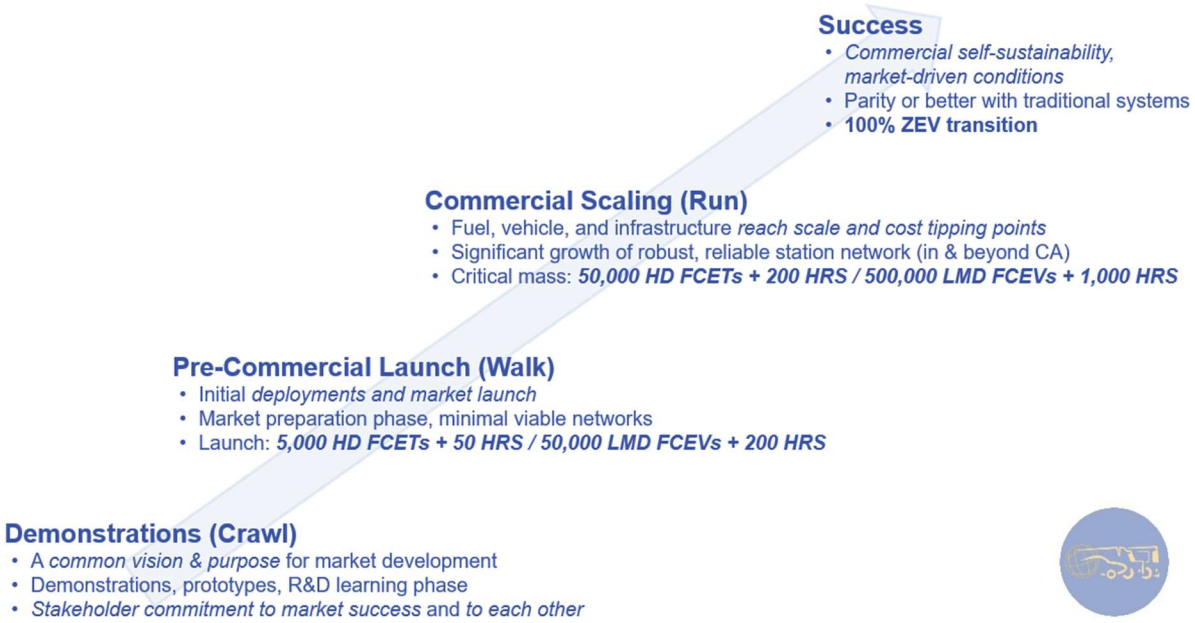
[1] Extrapolated from H2FCP's Vision for Freight Movement in California-and Beyond, California Fuel Cell Revolution and Workforce Projections to Support Hydrogen FCEV Fueling Infrastructure documents

California must act decisively to scale hydrogen infrastructure before investment and regulatory cycles move on.

Vision & Market Development Phases

The California Hydrogen Mobility Vision and Roadmap charts a clear path through four distinct market development phases — **Demonstration, Launch, Scale, and ZEV Success** (i.e., Crawl, Walk, Run, and 100% ZEV Success) — ultimately achieving a self-sustaining, zero-emission transportation market supported by a reliable, widespread hydrogen refueling network.

Each phase has distinct characteristics, needs, and expectations, and is marked by specific FCV and hydrogen refueling station (HRS) deployment targets. These *deployment targets are essential* for market transparency and to align and enable coordinated stakeholder actions and investments from early market investments to a successful transition to 100% ZEVs. These targets also augment and expand on the roadmap elements identified in the Hydrogen Market Development Strategy and recent ZEV guidance request found in the Governor's Executive Order 27-25.



These vehicle and station targets are designed to:

- Support full ZEV compliance across light-, medium-, and heavy-duty vehicle categories
- Enable cost reductions through scale, including addressing near-term pump pricing to enable faster fleet adoption
- Drive private investment by providing certainty and confidence in California's hydrogen mobility direction
- Leverage the heavy-duty station network as a structured, systematic backbone to serve both freight and urban mobility needs
- Align with and accelerate California's environmental and economic priorities

Members of the Hydrogen Fuel Cell Partnership (Partnership) and other stakeholders are actively working to further build out the components of these market phases to improve market transparency and confidence to spur market demand and trigger private investments to accelerate decarbonization and depollution through hydrogen technologies.

Strategic Imperatives

1. COORDINATED INFRASTRUCTURE ROLLOUT
    - Deploy a minimum viable public fueling network to launch (walk) HD and LD/MD markets, demonstrating progress and potential for scaling (run) market development
    - Prioritize strategic station siting to maximize utilization and redundancy
    - Implement a staged, coordinated rollout to align with vehicle deployments

2. STATE INCENTIVES & LEADERSHIP
    - Expand state financial and permitting support for station construction and hydrogen supply
    - Provide long-term regulatory clarity and fleet incentive alignment to enable cost reductions and greater OEM commitments – *strong public policy signals and support enable the market certainty needed* to drive private investment and enable both an amplifying effect of public funds and transition to private market demand pull.
    - Use SIP planning and other mechanisms to unlock state and federal support and private capital

3. TECHNOLOGY & MARKET READINESS
    - Acknowledge early-stage technology challenges while investing in station reliability, throughput, and uptime for long-term improvements and success
    - Accelerate production of low-carbon hydrogen and diversify supply chains

4. WORFORCE, SAFETY & PUBLIC READINESS
    - Integrate workforce training and job creation planning in hydrogen deployment
    - Streamline permitting and other processes via interagency coordination and Authorities Having Jurisdiction (AHJ) education
    - Advance public and fleet operator education to build market awareness and acceptance

5. COMPREHENSIVE VEHICLE STRATEGY
    - Support the build-out of the entire hydrogen mobility ecosystem – enabling light-, medium-, and heavy-duty applications to thrive – as all ZEVs and applications are needed to achieve state objectives and equitably meet user needs
    - Promote policies that recognize synergies between vehicle classes, station infrastructure, and statewide air quality goals
    - Highlight economic and environmental benefits of hydrogen, including GHG and criteria pollutant reductions

The Partnership's pending *Hydrogen Truck Market Development Guiding Principles* whitepaper recognizes that no single factor determines hydrogen's success. Instead, challenges are deeply interconnected: policy, cost, infrastructure, and technology reinforce or constrain each other in feedback loops. The analysis presents core issues that will determine hydrogen's success, highlighting that the technology itself is not limiting hydrogen mobility.

Even in their nascency, FCEVs are already operationally viable and capable of competing with incumbent technologies. The success of hydrogen mobility is more dependent on improvements in market conditions, which can be accelerated or hindered by public and private action. With scale and experience, technology will only improve and become more cost-effective.

The real need now is to create the right market conditions, business models, and policy stability to let this hydrogen technology grow and thrive.

Call to Action

Achieving this vision requires bold, coordinated action across all sectors. Stakeholders must work in coordination, from state agencies and local governments to OEMs, fuel providers, station developers, and fleets.

The time for pilot programs has passed; ***California must now lead a strategic, scaled rollout of hydrogen mobility that delivers economic opportunity, environmental justice, and climate resilience along the path to transportation decarbonization.***

This white paper expands and augments other hydrogen mobility and ZEV activities and should be integrated and referenced as part of the state's larger goals and objectives.