

DOCKETED

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ACC Comment on 2016-2017 ARFVTP Investment Plan

Additional submitted attachment is included below.



**ACE
Cogeneration
Company**

Producer of "Clean" Hydrogen from Bio-Mass

January 21, 2016

Commissioner Janea Scott
California Energy Commission
Docket No. 15-ALT-01
1516 9th Street, MS-4
Sacramento, CA 95814

Subject: Comments on the 2016-2017 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program

Dear Commissioner Scott and Staff:

Argus Cogeneration Company (ACC) appreciates the opportunity to provide comments for your consideration on the *2016-2017 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program*.

ACC is the owner of the ACE Cogeneration Project, an existing 100 MW coal-fired power plant in California that is considering modifying its existing circulating fluidized boiler to operate on agriculture and wood waste and use the resulting renewable electricity to produce renewable, carbon-free hydrogen using hydrolysis. The hydrogen produced would be available at competitive prices as an alternative transportation fuel and help California meet its alternative transportation fuel and greenhouse gas emission reduction goals. In evaluating this concept, ACC has identified three issues of concern to potential investors in this type and size of project:

1. Lack of public information on existing and expected markets for renewable hydrogen in California
2. Lack of information and experience with large commercial scale hydrolysis facilities
3. Lack of an approved pathway for hydrogen under the national Renewable Fuel Standard

Although fuel cell vehicles are strongly supported in policies established by the Legislature, Commission, and California Air Resources Board and millions of dollars are being spent to deploy fuel cell vehicles and hydrogen fueling stations, the draft Investment Plan does not appear to respond to any of the issues associated with producing renewable, carbon-free hydrogen that is cost competitive with gasoline and required to support these vehicles. Consequently ACC recommends that the Committee modify the *2016-2017 Investment Plan* Commission to:

1. Allocate some funds within the Alternative Fuel Production category to hydrogen production and supply
2. Allocate some funds within the Related Needs and Opportunities category to hydrogen demand and supply assessment

We may have additional comments following the January 21, 2016 workshop.

If you have any questions, please contact Bob Therkelsen by e-mail at btherk@jeffnet.org or by phone at (541) 941-7805.

Sincerely,



Larry Trowsdale
General Manager,
ACE Cogeneration Company, LP