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7 State of California

8 Energy Resources Conservation and Development Commission

9 In the Matter of:

Docket No. 08-AFC-8A

10 REVISED APPLICATION FOR
11 CERTIFICATION
FOR THE HYDROGEN ENERGY
12 CALIFORNIA PROJECT

WITHDRAWAL OF REVISED APPLICATION
FOR CERTIFICATION

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14 Pursuant to Title 20 California Code of Regulations Section 1709.8(a), Hydrogen
15 Energy California, LLC (“Applicant”) hereby withdraws the Revised Application for
16 Certification filed on May 2, 2012 (the “Revised AFC”) for the Hydrogen Energy California
17 Project (“HECA” or “Project”).

18 As set forth in the Declaration of Jim Croyle filed on January 6, 2016 (TN#
19 207201) (the “Croyle Declaration”), carbon capture and sequestration (CCS) will play a key role
20 in international, national and state efforts to curb carbon emissions, and California will continue
21 to lead the way in advancing CCS. The California Air Resources Board (CARB) has recognized
22 that “[s]tudies by the Intergovernmental Panel on Climate Change (IPCC) and the California
23 Council on Science and Technology (CCST), have shown that CCS has the potential to reduce
24 carbon emissions by millions of metric tons, and may be an integral part of meeting California’s
25 long term climate goals.”¹ CARB continues to lead regulatory initiatives to advance CCS,
26 stating that CCS “is an important strategy to reduce greenhouse gas (GHG) emissions and
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28 ¹ See <http://www.arb.ca.gov/cc/ccs/ccs.htm>.

1 mitigate climate change” and that CARB “is currently developing a quantification methodology
2 to be utilized when determining carbon emission reductions from CCS for both the Cap and
3 Trade and Low Carbon Fuel Standard programs.”²

4 Applicant continues to believe that the HECA site, over which Applicant retains
5 control, is well suited to carbon sequestration. As detailed in the Croyle Declaration, Applicant
6 has worked closely with the University of California (LBNL and LLNL) to evaluate the
7 permanent sequestration of CO₂ beneath the HECA site utilizing Class VI wells permitted by the
8 U.S. Environmental Protection Agency. The existing geomodel created by the National Labs,
9 using existing data and information specific to the HECA site and surrounding areas, provides a
10 substantial base of information regarding the potential for carbon sequestration at the HECA
11 site. Preliminary assessments of the geologic storage potential at the HECA site have concluded
12 that shifting to a saline formation injection on-site has a high potential for success.

13 Notwithstanding the foregoing, the timeframe for deploying a project such as
14 HECA has been longer than was anticipated at the time the Revised AFC was filed. Recent
15 developments, such as the U.S. Supreme Court’s February 9, 2016 decision to stay
16 implementation of the Obama Administration’s Clean Power Plan, which was rendered
17 subsequent to Applicant’s pending request to reinstate the Revised AFC proceedings, have cast
18 additional uncertainty over the timing of such projects. Given the current uncertainty related to
19 timing, the time that has passed since some of the analysis related to the Project was completed,
20 and the likely need for substantially revised analysis to reflect anticipated changes to the Project,
21 Applicant has decided to withdraw the Revised AFC.

22 For the reasons stated above, Applicant continues to be optimistic about the
23 prospects for HECA at its proposed location. Applicant will continue to monitor relevant policy,
24 regulatory, legal and economic developments, and work with agencies and other entities likely to
25 play a role in the future deployment of the Project. The information collected and analysis
26 completed over the course of the review of the Project provide a substantial base upon which to

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28 ² *Id.*

1 develop a new application. Applicant wishes to express its appreciation to the Committee and to
2 the staff of the California Energy Commission for the many hours of work devoted to review of
3 the current Project, and looks forward to working on a future iteration of this important and
4 innovative Project.

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6 Executed on March 3, 2016, at the location of Concord, MA.

7 Pursuant to Title 20 California Code of Regulations, Section 1707, I declare under
8 penalty of perjury of the laws of the State of California that the foregoing is true and correct to
9 the best of my knowledge.

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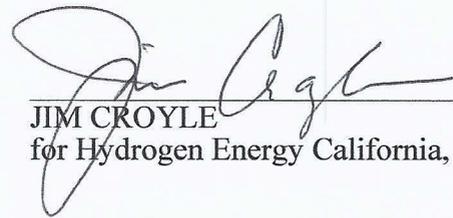
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