The following are comments on Funding Allocation for Hydrogen in the AB 118 Alternative and Renewable Fuel & Vehicle Technology Program Investment Plans, specifically the $18 million reduction to $22 million from the first Investment Plan for upcoming funding activities in Spring 2010, as well as the $26 million reduction in funding for the 2010-2011 Investment Plan presented at the February 11, 2010 Advisory Committee Meeting.

Recomendations and request for funding restoration of Hydrogen Infrastructure to the Investment Plans & RFP

There appears to be a funding grab for the hydrogen infrastructure budget by those representing competing interests. This is counter productive to the purpose of the program and the spirit of the legislation, which is to achieve economies of scale for the development and deployment of hydrogen infrastructure, especially clean sustainable/renewable hydrogen infrastructure (solar, wind, geo-thermal, wave, powered electrochemical infrastructure – "Gold Standard"), to meet the fueling needs of the Auto Industry's Fuel Cell Electric Vehicle (FCEV) rollout, due to begin in 2012. Like in the early days of the development of the electric, natural gas, and transportation (freeway systems, mass transit, etc.) infrastructures, this is something that requires government support to achieve. If we don't want to see yet another failure for electric vehicles, it will be necessary to restore the hydrogen infrastructure funding to it's original level of $40 mil. In order to achieve this we hereby submitt the following recomendations to achieve these goals.

- There needs to be representation on the Advisory Board by outside advocates for Clean/Sustainable Renewable Hydrogen, all other alternatives have outside advocate representation. Not Clean/Sustainable Renewable Hydrogen.

- Restore hydrogen infrastructure funding to the original $40 mill with 1/3 targeted to "Gold Standard" dedicated or Green Tag Solar/Wind/Geo-Thermal/Wave powered electrochemical distributed generated hydrogen fueling stations, at least state in RFP a preference and advantage for it, i.e., "first choice".

  - This will bring many sustainable/renewable H2 developers and advocates to participate. The reason for $40 mill was to give some economies of scale to lower the cost of clean/sustainable renewable hydrogen ("sustainable" is written throughout the legislation. If not implicit - the spirit & intent of the 1/3 requirement, which is not a limit, but a minimum, could fund more, even 100%), as well as spur new job development.

- Should express preferences for small business development and/or non-profit participation, especially as prime.

  - More new job development,
  - lower cost structure, less overpricing,
  - more comittment to success of clean/sustainable renewable H2.

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P.O. Box 6911 www.hygen.com 707-667-5329
Eureka, California, 95502 e-mail: h24u@hygen.com

- Allow for adjustments in clean/sustainable renewable H2 proposers scenarios if CEC request alternate cluster scenarios, allow/encourage possible collaborations with other proposers to merge into one preferred plan, if selected candidates are willing to accomodate.

- Data sources CEC is depending on are from fossil fuel and competing sources, ours show a different cost and viability scenario. Should be considered with same weight. We would like to present a different scenario and cost structure at Advisory Board Meetings (before finalization of upcoming RFP), just like others have had the opportunity to do.

Authored By:

Paul Staples, Chairman/CEO
HyGen Industries
707-667-5329 – Ph.
P.O. Box 6911,
Eureka, Ca. 95502
h24u@hygen.com
www.hygen.com

In support:
James Provenzano, President, Clean Air Now
Glen Rambach, Engineer/Scientist
Dr. Woodrow Clark, Strategic Partners
Richard Capua, owner – Abovo Environmental Services