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CHBC Comments on 22-ALT-01

Additional submitted attachment is included below.

CALIFORNIA HYDROGEN BUSINESS COUNCIL

Hydrogen Means Business in California!

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October 25, 2021

California Energy Commission
1001 Ninth Street
Sacramento, CA 95814

Re: October 6, 2022 Advisory Committee Meeting for the Clean Transportation Program (22-ALT-01)

The California Hydrogen Business Council (CHBC), a trade association representing over 140 member organizations, working to commercialize hydrogen and supporting hydrogen technologies across the economy, appreciates the opportunity to submit comments to the Advisory Committee of the Clean Transportation Program (CTP).

1. Given the prescriptive nature of the General Fund allocations from the State Budget Acts of 2021 and 2022, should the Investment Plan shift fungible Clean Transportation Program dollars to other categories? (e.g. low-carbon fuel production; ZEV manufacturing; workforce training and development?)

This question should be considered in the context of the entirety of the state and federal budget. There are significant opportunities presented for clean and renewable hydrogen production in the Inflation Reduction Act, Infrastructure Investment and Jobs Act, and California State Budget. We would urge the California Energy Commission (CEC) to focus on building publicly available hydrogen refueling infrastructure at the scale and pace necessary to support the ambition of California's goals, specifically, the Governor's Executive Orders, Advanced Clean Cars II (ACCII) and Advanced Clean Fleets (ACF) (being heard by CARB on October 27, 2022).

While we support investments in the examples provided, these are all activities that will be best supported elsewhere. Low-carbon fuel production has a market-based incentive in the Low-Carbon Fuel Standard which is one of the highest visible carbon signals in the world. CARB is working to bolster this program and reinforce the ambition for deeper reduction in low-carbon fuels. Additionally, we strongly support workforce training and development, specifically with the transition of fossil fuel employees in place to decarbonized molecules as their skills and training are directly applicable to the infrastructure

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necessary to build California's hydrogen economy. However, we believe CTP needs to stay focused on the increased pace and scale necessary to achieve the incredibly ambitious goals of the state by installing hydrogen and charging stations to support the accelerated zero-emission vehicle (ZEV) deployment schedule. Without this public infrastructure, public and fleet adoption will be hindered and delay deployment.

2. Does the timing and allocations between light-duty (LD) and medium-duty/heavy-duty (MD/HD) infrastructure investments in the Investment Plan strike the right balance for ZEV acceleration? If not, where should adjustments be made and why?

CHBC believes we need to equitably allocate the MD/HD, Drayage, Transit, Port, and Clean Trucks, Buses, and Off-Road Equipment Infrastructure funds across hydrogen refueling and charging. In the larger vehicle classes the market is very new and undetermined. Funding allocations should reflect an equitable distribution that fairly accounts for all public funds made accessible to station developers, including ratepayer funds which do not support hydrogen refueling.

The Hydrogen Fueling Infrastructure funds have traditionally been allocated toward "light-duty" stations. We support the continuation of this practice as these stations serve vehicles beyond passenger cars. It is important that the CTP recognize the role of LD stations in serving a vast majority of the MD fleet which is heavily weighted toward class 2b and 3 vehicles. Additionally, with current fueling protocols these stations will serve vehicles up to class 5 or class 6 and depending on the vocation of the vehicle owner or company, we expect common practice of accessing local light-duty stations to continue for these vehicle owners and businesses as they transition to fuel cell electric vehicles (FCEV).

CEC should analyze the fleet expectations in ACCII and ACF to determine the pace and scale that ensures infrastructure exceeds each year's compliance obligation and OEM targets. This should fairly account for consumer choice and optionality. A goal of 200 stations is not enough to meet the modeled light-duty FCEV numbers in ACCII or the Scoping Plan, let alone the medium-duty and heavy-duty numbers in ACF. There is no longer a question of "if" but "when" – "when" will be dictated by open and publicly available infrastructure being ubiquitous.

Infrastructure is complicated and takes time, as such, CHBC recommends pulling forward, to the extent possible, out year funds to ensure that we lead with infrastructure supporting fleet and vehicle deployments.

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3. What should the Investment Plan include within each funding allocation to improve equitable access and benefits from that allocation?

Equitable access and benefits come from providing options that work for all Californians and should be supported by data identifying the current number of vehicles and supporting infrastructure, both fossil fuel-based and electric, in each of the categories, LD, MD/HD, Drayage, Transit, Port and Clean Trucks, Buses and Off-Road Equipment. To support the transition away from fossil-fuel based vehicles to electric vehicles—fuel cell and battery—all Californians need access to fueling infrastructure near their homes and places of work. This means hydrogen refueling and charging in every neighborhood to support access and the benefits of ZEVs like noise pollution reduction and improved air quality.[1] The CEC should adopt more ambitious fueling station targets and accelerate grant offerings throughout the state, including in disadvantaged communities where air quality has historically suffered. With fueling station targets and investment that match the needs of Californian drivers that are transitioning to ZEVs, we can build out a statewide fueling network quicker, immediately improving the air quality and noise pollution along heavily travelled goods movement and commute corridors, enabling access for all vehicles classes.

The CHBC appreciates the opportunity to contribute our comments to the Advisory Committee on the Clean Transportation Program. We look forward to your review of our comments and working with you on this matter further.

Respectfully Submitted,

Sara Fitzsimon, J.D.

Policy Director
California Hydrogen Business Council

[1] U.S. Department of Energy. "Hydrogen Benefits and Considerations." https://afdc.energy.gov/fuels/hydrogen_benefits.html. Accessed October 24, 2022; Renewable Hydrogen Fuel Cell Collaborative. https://www.midwesthydrogen.org/benefits/. Accessed October 24, 2022.