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California Hydrogen coalition CTP Comments

Please see attached and reach out if there are any questions, Thank you.

Additional submitted attachment is included below.



October 25, 2022

Patrick Brecht
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 Coalition (CHC) appreciates the opportunity to provide comments on the (insert). We appreciate the work the California Energy Commission (CEC) has put into the Clean Transportation Program (CTP) to support the state’s growing fleet of fuel cell electric vehicles (FCEV).

The mission of CHC is to enable California’s transition to zero emission vehicles (ZEVs) by expanding the availability of reliable, convenient, and affordable hydrogen fueling to support the state’s emission reduction goals. We are confident light, medium, and heavy-duty FCEVs will play a critical role in California’s transition to a zero-emission transportation sector because of the advantages this technology provides today with respect to range, duty-cycle, and fast refueling, and may soon provide for cost and carbon intensity reductions. CHC is equally confident in the development of a hydrogen fuel market that will continue providing quality jobs and opportunities to decarbonize locally owned fueling stations throughout California. FCEVs and hydrogen closely emulate existing consumer behavior for the gasoline and diesel vehicle experience, eliminating the pressure to change consumer behavior while decarbonizing the jobs associated with the existing distribution and fuel delivery markets. We are excited and prepared to accelerate the adoption of this ZEV technology over the next several years.

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?)

Our membership includes vehicle OEMs, station developers, and hydrogen producers – we urge the CEC to focus Clean Transportation Program funds towards retail infrastructure that will grow a market. California has a dynamic suite of policies that provide incentives for vehicles through CARB programs, for low-carbon fuel production through CARB programs, and the grants have labor provisions that support training and development. CHC’s membership is dedicated to building this market with a strong local workforce, including directly transitioning skills from the trades primarily associated with the oil and gas industry to hydrogen production and delivery infrastructure and operations.



The scale and pace of achieving California’s ambition on vehicle deployments including N-79-20¹, Advanced Clean Cars II (ACCI), Advanced Clean Trucks (ACT), and soon Advanced Clean Fleets (ACF) will require a pace of hydrogen refueling infrastructure buildout never seen before to support millions of FCEV passenger cars², hundreds of thousands of light-medium duty vans and trucks, hundreds of thousands of medium-heavy, and heavy-duty trucks.

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?

We encourage CEC staff to work on accelerate the dispersal of funds to expedite construction of this critical infrastructure to the maximum extent possible. Public hydrogen refueling will help ensure that consumers and businesses have options that allow California to fully achieve its zero-emission transportation and goods movement goals. These regulations necessitate a new focus beyond 200 stations and support the need for thousands of retail stations that will fuel class 1-5 vehicles and hundreds of depot stations (minimum 6 tons per day capacity) to fuel class 4-8 vehicles. Our state policies do not allow for a wait and see approach as compliance timelines are in the near term bumping up against our ability to permit and build

Furthermore, AB 8 funds should be utilized by the CEC to support retail stations that will serve class 1-5 vehicles. General Fund monies should be allocated equitably between charging and hydrogen refueling as stated in the budget and trailer bills. A fair division of these general fund monies in the HD, Drayage, Transit, and Off-Road sectors should recognize all state and ratepayer expenditures to help meet the demands of each fleet on a timeline that ensure operational stations ahead of compliance deadlines.

CEC should also look at the opportunities in the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) as an opportunity to leverage additional funding to achieve the State’s Goals. To date, CEC has encouraged significant private capital matches of funds. Aligning CTP funding with IRA and IIJA has the potential to bring hydrogen refueling to self-sufficiency in both retail, depot, and transit if strategically planned. CHC encourages close collaboration with the public-private partnership known as the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) to help win a hydrogen hub as well as significant non-hub funds throughout both federal funding bills that can help accelerate California’s path toward carbon neutrality.

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

CHC believes that developing a hydrogen economy allows for a 1:1 transition away from fossil fuels while providing high-road employment opportunities with a direct and just transition of skilled workers from oil and gas to hydrogen at all levels of production and distribution. To this end we believe that

¹ <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>

² 2022 Draft Scoping Plan, page 149



funding allocations should support deployment of a statewide network of retail hydrogen stations to support the passenger fleet, specifically for Californians living in multi-unit dwellings or older housing stock and have no daily ability to charge at home or work. As well as construction worker with undefined commutes that shift with each project and super-commuters. Increased deployment of stations will allow accelerated consumer adoption and emission benefits.

Additionally, the rollout of our hydrogen depot refueling should focus on transportation corridors that are heavily travelled. FCEVs enjoy a weight advantage and rapid refueling benefits of hydrogen that serve existing goods movement business models with the same freight efficiency without placing requirements on our warehousing to bring in expensive infrastructure that may not provide the same level of service or uptime. California will quickly need a statewide network to serve these trucks if we expect to achieve our ACF compliance goals.

In Conclusion

With unprecedented state, national, and international investments in hydrogen production and infrastructure we encourage CEC to capitalize on the moment. We are hopeful the CEC is willing to work with CHC to advance hydrogen production and refueling, further enabling zero emission vehicles and energy resilience. CHC is committed to working diligently with CEC staff to further refine our recommendations over the next few months and bring more investment to California's transforming transportation and energy markets. The time for scale is now.

We appreciate the opportunity to comment, and we look forward to working closely with CEC staff to enable hydrogen throughout the economy. If there are any questions, please contact me at TCooke@BHFS.com or our government affairs representative at the Gualco Group Inc., Mikhael Skvarla at Mikhael_Skvarla@gualcogroup.com.

Thank you,

/s/

Teresa Cooke
Executive Director
California Hydrogen Coalition

cc: Commissioners, California Energy Commission
Drew Bohlen