

**DOCKETED**

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*Comment Received From: Elemental Clean Fuels  
Submitted On: 10/26/2023  
Docket Number: 22-ERDD-03*

## **Onsite Distributed Hydrogen Production and End Use Solicitation Concept**

*Additional submitted attachment is included below.*

Comments on Draft Solicitation Concept for Distributed Clean Hydrogen Production with Onsite End Use (H2ONSITE)

Docket Number: 22-ERDD-03

**Section: II Funding, E. California Spending Requirement (Page 1)**

**Statement:** At least 50% of CEC funds must be spent in California.

**Comment:** Consider reducing to 25% - majority cost of green hydrogen projects are electrolyzers/specialized technology and these manufacturers are in various locations across the U.S. and Europe. California citizens will still benefit the most from these decarbonization projects, regardless where tech is manufactured.

**Section: III Eligibility Requirements, B. Project Requirements, 1. Eligible Project Costs (Page 3)**

**Statements:** Site construction and preparation costs must not exceed 5 percent. At least 65 percent of CEC funds must be allocated towards equipment, including installation, and materials.

**Comment:** 5 percent for construction costs is extremely low and consequently would overlap with equipment installation, covered by the bullet on 65 percent of funds. Would strongly recommend this breakdown be removed as the allocation of costs for different green hydrogen projects can be very different depending on the site, energy source, water source, etc.

**Section: IV Project Focus (Page 4)**

**Statement:** Projects must demonstrate clean hydrogen production, storage, and end use on the same property, either at new facilities or at existing hydrogen production facilities that have been scaled up.

**Comment:** Statement should provide examples of 'end-use', such as fleet refueling station, tube trailer loading station for transportation to local industry, etc.

**Section: IV Project Focus (Page 5)**

**Statement:** Projects must use 100 percent renewable energy resources onsite...

**Comment:** Consider changing to 75 percent to counter challenges associated with intermittent nature of renewable energy generation.

**Statement:** Additionally, projects must help reduce sector-wide emissions by avoiding any benefit to facilities associated with high emissions, fossil fuels, or technologies that contribute to high emissions.

**Comment:** Consider removing or clarifying this statement. Green hydrogen can reduce sector-wide emissions by allowing high emissions industries to supplement their fuel sources and reduce those high emissions.

#### **Section: IV Project Focus, A. Project Elements (Page 5)**

**Statement:** ...and limit water consumption to 9-13.5 kilograms of water per kilogram of hydrogen produced.

**Comment:** Consider changing to 17-20kg H<sub>2</sub>O per kg hydrogen, consistent with performance levels of current available electrolyzer technology. Reducing to unobtainable levels would eliminate otherwise valuable decarbonization projects.

**Statement:** (e.g., avoiding any benefit to facilities that are associated with fossil fuels or high emissions...)

**Comment:** Consider removing or clarifying this statement. Green hydrogen can reduce sector-wide emissions by allowing high emissions industries to supplement their fuel sources and reduce those high emissions.

#### **Section: IV Project Focus, A. Project Elements (Page 6)**

**Statement:** M&V plan to track project performance metrics such as: System payback.

**Comment:** Clarify what is meant by 'system payback'.

#### **Section: IV Project Focus, A. California Environmental Quality Act (Page 7)**

**Statement:** ...it is critical that applicants organize project proposals and provide all CEQA-related information...

**Comment:** Project FID (greenlight) likely would not take place until a CEC grant was secured. Please clarify whether 'CEQA-related information' includes formal approvals/permits by CEQA.