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Mendocino Forest Products Comment Letter

Additional submitted attachment is included below.



October 26, 2023

California Energy Commission

Subject: Draft Solicitation Concept for Distributed Clean Hydrogen Production with Onsite End Use
(Distributed Hydrogen Solicitation Concept 22-ERDD-03)

To Whom it May Concern,

On behalf of Mendocino Forest Products Company (MFP), I would like to take the opportunity to comment on the abovementioned Draft Solicitation. MFP is part of a vertically integrated family of forest products companies whose Ukiah, California sawmill processes over 125 million board feet of lumber and produces 300,000 tons of byproduct each year. We are exploring integrating woody biomass hydrogen production into our operations, and having reviewed the Draft Solicitation, wish to provide the following comments and requests for clarification.

1. The guidelines currently omit projects larger than 1-5 metric tons per day. This would eliminate most commercial applications of biomass to hydrogen production which can exceed 40 metric tons per day due to capital cost constraints. Can you clarify the requirements to allow for larger biomass to hydrogen projects?
2. It appears that a facility needs to demonstrate production, storage, and end use at the same facility. Can the application cover costs of a portion of a future facility such as the design and construction of storage tanks for hydrogen at a facility with planned future hydrogen production capabilities? I.e., could the funds be used to cover a first-phase of a future project?
3. Does “avoiding any benefit to facility associated with high emissions, fossil fuels...” imply that Projects may not sell their hydrogen to oil and gas companies? How long would this requirement be enforced?
4. The water consumption requirement is restrictive and does not appear to account for water purification and cooling water requirements on top of the water needed for electrolysis.

Thank you for the opportunity to comment.

Sincerely,

/s/ Dennis Thibeault

Dennis Thibeault
Executive Vice President, Forestry
Mendocino Redwood Company