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Linde Comments for Distributed Clean Hydrogen Program

Additional submitted attachment is included below.

Large-Scale Centralized Hydrogen Solicitation Concept Comments

Linde is grateful to the California Energy Commission (CEC) for soliciting comments on the draft solicitation concept for Distributed Clean Hydrogen Production with Onsite End Use (H2ONSITE). To that end, Linde respectfully submits the following comments for consideration as the CEC shapes the direction and scope of this solicitation.

- Linde is in support of the proposed award levels and match requirements. This level of funding and required match is commensurate with the production goals sought by the CEC.

- The draft solicitation notes that at least 50 percent of CEC funds should be spent in California and at least 65 percent of CEC funds must be allocated towards equipment. These parameters would be difficult for many applicants to meet, given the limited number of specialized equipment manufacturers located in California for the technology that would be implemented through these projects. Placing a higher priority on spending funds in California could also severely limit competition among equipment manufacturers, driving up prices for equipment that would be purchased for large-scale hydrogen production, storage, and delivery. Linde recommends that this be removed both as a requirement and a scoring preference. This would allow applicants to purchase equipment through this funding solicitation that provides the highest value to the CEC in terms of cost, reliability, service, and ability to meet production goals. This would also enable the state of California to reach nationwide clean energy goals ahead of other states and rise to the national leader in advancing clean hydrogen production.

- If the CEC maintains that 50 percent of CEC funds should be spent in California, lifting the limits on CEC funds eligible to be spent on engineering and design task costs and site construction and preparation would be recommended.

- Linde appreciates the attention to water conservation that this solicitation considers, however, requiring that water used for hydrogen production cannot be originally intended for human consumption would likely impact the ability to achieve the objectives of the solicitation. Linde recommends removing this requirement from the solicitation.

- Achieving a carbon intensity of 0.0 kg of carbon dioxide equivalent per kg produced may be difficult to achieve given current technology and market conditions. Linde recommends that the CEC provides more detailed information on the basis of this carbon intensity calculation. Linde also recommends a carbon intensity of less than 1 may be more feasible on the basis of this carbon intensity calculation.

- Linde supports a two-phase application process.

- Linde supports a four-year project timeline.