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CHC ZIP Comments

Additional submitted attachment is included below.



February 7, 2025

California Energy Commission (CEC)
1001 Ninth Street
Sacramento, CA 95814

Re: 2024 Zero-Emission Vehicle Infrastructure Plan (ZIP) Workshop and Report

The California Hydrogen Coalition (CHC) appreciates the opportunity to provide comments on the 2024 ZIP Report and Workshop Presentation. CHC recognizes and supports the CEC's commitment to expanding zero-emission vehicle (ZEV) infrastructure but urges the Commission to align funding priorities with state mandates and legislative requirements to accelerate hydrogen refueling deployment. However, CHC is deeply concerned about the continued lack of vision in the ZIP report, including the absence of a clear roadmap toward a comprehensive statewide hydrogen fueling network. The ZIP report fundamentally fails to recognize the infrastructure needs of hydrogen-powered transportation, which directly contradicts findings in SB 671 Clean Freight Corridor Efficiency Assessment, the SB 643 Staff Report, and other state-backed research indicating hydrogen's necessity in a decarbonized transportation system.

Fulfilling the State's Commitment to 200 Hydrogen Refueling Stations by 2025

Governor Newsom's Executive Order B-48-18 set the goal of 200 publicly available hydrogen stations by 2025. To date, the pace of deployment falls far short of this objective. The ZIP report lacks a detailed plan to course-correct and ensure that all available funds are prioritized to meet this legally recognized target. Without immediate action and clear direction, California risks undermining consumer confidence in hydrogen fuel cell electric vehicles (FCEVs) and failing to meet its commitments.

Full Funding and Allocation of the AB Required 20% Annual Appropriation for Hydrogen Refueling

Assembly Bill 8 (Perea, 2013) mandated that no less than 20% of annual Clean Transportation Program (CTP) funds be allocated to hydrogen fueling infrastructure until California achieves at least 100 publicly available stations. Furthermore, Executive Order B-48-18 effectively extended this target to 200 stations. Despite these requirements, the ZIP report fails to provide a transparent accounting of whether these funds are being fully utilized for hydrogen infrastructure development. CHC strongly urges CEC to:

- Ensure full allocation and expenditure of all mandated hydrogen funding.
- Immediately reallocate any returned or unspent hydrogen funds into new grant opportunities.
- Provide full transparency on total hydrogen funding allocations and station deployments to ensure accountability.

Immediate Grant Opportunity from Remaining Funds for Medium- and Light-Duty Hydrogen Refueling Infrastructure

The ZIP report offers no meaningful strategy for deploying medium- and light-duty hydrogen refueling infrastructure, leaving a glaring gap in the state's approach to supporting hydrogen adoption. While battery-electric charging investments are clearly outlined, hydrogen fueling remains an afterthought, with no commitment to establishing a sustainable, long-term hydrogen network.

CHC calls for an immediate grant opportunity targeted at medium- and light-duty hydrogen refueling infrastructure to address critical gaps in station availability. Medium-duty vehicles (MDVs), including delivery vans, utility trucks, and commercial fleets, depend on an expanded hydrogen network that aligns with consumer fueling patterns. The **USCAR Medium-Duty Hydrogen Infrastructure White Paper** emphasizes that the current deployment of hydrogen stations lacks the vision to support MD FCEVs. A robust hydrogen station network will provide essential support for both MD and light-duty FCEVs, ensuring California maintains technology-neutral policies that promote multiple zero-emission solutions.

The ZIP Report Lacks a Vision for a Statewide Hydrogen Network

Perhaps most troubling is the continued lack of vision in the ZIP report for establishing a comprehensive, statewide hydrogen fueling network.

The report provides no line of sight on:

- How California will transition from its fragmented station network to a truly statewide hydrogen refueling system.
- How station investments will be strategically coordinated to ensure seamless travel across the state for FCEV drivers.
- How hydrogen infrastructure will be integrated with broader ZEV transportation goals to create a balanced, resilient system.

The recently updated Low Carbon Fuel Standard (LCFS) highlights that light-duty and medium-duty hydrogen refueling infrastructure are closely aligned. Maintaining LCFS crediting for hydrogen fueling stations is essential to ensure that both MD and LD vehicles can utilize an expanding hydrogen network. The report further emphasizes that hydrogen must not be placed at a competitive disadvantage compared to battery-electric charging, which continues to receive disproportionately high investment despite 95% of vehicles on California roads still being internal combustion engine (ICE) vehicles.

Additionally, AB 126 (Reyes, 2023) reaffirms the necessity of a sufficient statewide hydrogen refueling network to meet California's aggressive carbon neutrality goals. The legislation mandates an annual grant funding opportunity and transparent allocation of funds to hydrogen, yet the ZIP report proposes the bare minimum in funding allocations for hydrogen refueling.

The SB 671 Clean Freight Corridor Efficiency Assessment further proves the critical need for hydrogen infrastructure along key freight corridors. The assessment identified the "Top 6" corridors that require both hydrogen and battery-electric fueling infrastructure, reinforcing that a hydrogen network is essential to achieving California's long-term zero-emission transportation goals. Yet, the ZIP report

disregards these findings, failing to incorporate a coordinated statewide strategy for hydrogen deployment.

The SB 643 report highlights that CEC's AATE3 modeling is a significant outlier on hydrogen station projections – the Scoping Plan and SB 671 report indication significant ambition. California's hydrogen hub, which is just a segment of stations planned, also far exceeds the CEC's AATE3 projections. The uncertainty of the hydrogen market seems to be a projection of the CEC and while there are challenges to our transportation sector transformation, if California is to achieve its ZEV goals, there must be ambition to support infrastructure.

A well-integrated hydrogen fueling network complements the state's broader ZEV infrastructure, yet the ZIP report fails to articulate a cohesive strategy. CHC urges the CEC to take immediate steps to correct this deficiency by:

- Developing a statewide hydrogen fueling roadmap that clearly outlines near- and long-term station deployment strategies.
- Coordinating with industry stakeholders to identify priority corridors and high-demand locations for investment.
- Establishing mechanisms to ensure funding remains committed to hydrogen and is not diverted to other priorities.

Achieving 100% ZEV Sales by 2030 Requires Both BEVs and FCEVs

With unprecedented investments in charging infrastructure, California has still not made sufficient progress in transitioning away from internal combustion engines. The reality is that 95% of vehicles on the road remain ICEs. Rather than pitting BEVs and FCEVs against each other, California must embrace both technologies as essential to achieving Governor Newsom's goal of 100% ZEV sales by 2030.

CHC urges the CEC to recognize the complementary nature of FCEVs and BEVs, ensuring that funding and policy support do not create unnecessary competition but rather promote a balanced ZEV ecosystem that accelerates emissions reductions across all vehicle classes.

Conclusion

The CEC must take immediate action to fulfill its obligations, align its funding with the state's legally mandated targets, and prioritize investment in hydrogen refueling infrastructure. The ZIP report's failure to provide a clear, strategic vision for a statewide hydrogen network threatens California's leadership in hydrogen and undermines the market confidence necessary to accelerate deployment.

California has a unique opportunity to leverage federal funding and private investment to solidify hydrogen's role in the zero-emission transition, but only if decisive actions are taken now. CHC looks forward to continued collaboration with the CEC to ensure hydrogen remains a key pillar of California's ZEV future.

Sincerely,
Teresa Cooke
Executive Director
California Hydrogen Coalition