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*Comment Received From: Air Products*  
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## **2025 IEPR Scoping Order Comments**

Air Products appreciates the opportunity to comment. Please find our comments attached.

*Additional submitted attachment is included below.*

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February 11, 2025

Commissioner David Hochschild  
California Energy Commission  
715 P Street  
Sacramento, CA 95814

Comments submitted electronically

**RE: Comments on the Draft Scoping Order for the 2025 Integrated Energy Policy Report**

Dear Chair Hochschild,

Thank you for the opportunity to comment on the Draft Scoping Order for the 2025 Integrated Energy Policy Report (IEPR). Air Products is a U.S.-based company providing essential industrial gases, related equipment, and applications expertise to customers in more than 50 countries. As California's, and the world's largest producer of hydrogen, Air Products is committed to supporting the energy transition and California's climate change goals. We look forward to sharing our expertise and participating in the 2025 IEPR process.

Air Products appreciates the California Energy Commission's (CEC) ongoing commitment to thoughtful and comprehensive energy planning in support of California's priorities. We support the proposed scope of the 2025 IEPR outlined in the Draft Scoping Order, including assessments of the potential for hydrogen under Senate Bill 1075 (SB 1075) and analysis of firm, zero-carbon resources, pursuant to Senate Bill 423 (SB 423). As you develop the 2025 IEPR, we urge the CEC to pursue a robust, technology neutral analysis of the role hydrogen and its derivatives can play in the transportation, electricity and industrial sectors to support the state's energy and climate change goals. We offer the following specific recommendations for development of the 2025 IEPR.

**Ensure a Comprehensive, Technology-Neutral Approach to Hydrogen and Clean Energy**

California has long been a leader in clean energy innovation, and hydrogen will play a critical role in supporting the broader energy transition, especially in hard-to-abate sectors like heavy-duty transportation, firm power, and heavy industry. We urge the CEC to consider a wide array of potential hydrogen end uses in the 2025 IEPR, including on-road applications in transportation, but also industrial and power uses, maritime, aviation, and rail applications. Hydrogen derivatives such as ammonia also offer significant potential for decarbonization, and should be thoroughly evaluated within the IEPR framework.

The proposed IEPR scope appropriately references SB 1075 and highlights the need to evaluate hydrogen's role in supporting California's energy objectives. We urge the CEC to adopt a technology-neutral approach and evaluate the full spectrum of hydrogen production pathways—including green, blue, and other low-carbon options—and to avoid arbitrary limitations that could stifle innovation and investment. While we support evaluating the potential impacts of hydrogen production and utilization on electricity and natural gas demand forecasts, including through the production of hydrogen from electrolysis, the 2025 IEPR should also consider other viable hydrogen production methods, such as biomass gasification, hydrogen production with carbon capture and storage (CCS), and utilization of existing industrial hydrogen supplies.

Under SB 423, CEC is evaluating firm zero-carbon resources and their role in the electricity sector. We urge the IEPR to include a focused assessment of firm zero-carbon technologies, including hydrogen-fueled generation, which can provide critical reliability and seasonal storage to complement intermittent renewables. By integrating firm zero-carbon resources like hydrogen into the IEPR's broader planning framework, California can support its clean energy goals while bolstering energy reliability and affordability.

Ultimately, a broad evaluation should compare hydrogen production and use across a broad array of metrics, including cost impacts, air quality benefits, and climate impacts based on carbon intensity. A comprehensive, performance-based analysis will best position the state to meet its goals while maintaining energy reliability and affordability.

### **Support Development of a Competitive, Technology Neutral Marketplace for Hydrogen**

We strongly support the proposal to advance clean energy development, including hydrogen, and identifying barriers and solutions to more quickly bring hydrogen and other clean energy projects online. Through this process, we encourage the CEC to avoid erecting new barriers, which could be the case if the report picks winners and losers or suggests unnecessarily regulating or limiting the market to certain sectors, instate hydrogen supplies or other items that might restrict competition, innovation, and low cost supply. In particular, we recommend that the CEC avoid encouraging vertically integrated, utility-controlled hydrogen markets, which could undermine the competitive landscape and deter private sector investment. Instead, the IEPR should emphasize policies that support a diverse, market-driven approach, leveraging California's existing hydrogen infrastructure and expertise.

We hope the report will identify demand-side policies, incentives, and other activities that can support increased use of hydrogen to reduce emissions in heavy-duty transportation and other sectors, which in turn will best support development of new, clean hydrogen supplies. This could include efforts to support development of California's hydrogen hub under ARCHES, as well as other opportunities to anchor hydrogen demand growth in strategic locations along freight corridors, at ports and industrial complexes, and in targeted regions that could deliver outsized benefits in terms of air quality improvements, workforce development, and economic growth in frontline communities.

Thank you again for the opportunity to comment on the Draft Scoping Order for the 2025 IEPR. We look forward to participating in this process and ensuring the 2025 IEPR can provide a robust framework to support the rapid, cost-effective deployment of hydrogen and other critical clean energy technologies.

Respectfully,



Miles Heller  
Director, Greenhouse Gas Government Policy