

DOCKETED

Docket Number:	21-RPS-02
Project Title:	Renewables Portfolio Standard 10th Edition Guidebook Update
TN #:	260372
Document Title:	California Hydrogen Business Council Comment - Eligibility for RPS Under Latest Proposed RPS Guidebook Update
Description:	N/A
Filer:	System
Organization:	California Hydrogen Business Council
Submitter Role:	Public
Submission Date:	12/2/2024 1:21:31 PM
Docketed Date:	12/2/2024

*Comment Received From: Tim McRae
Submitted On: 12/2/2024
Docket Number: 21-RPS-02*

California Hydrogen Business Council Comment

Additional submitted attachment is included below.



November 1, 2024

Commissioner Noemi Gallardo
California Energy Commission
Docket No. 21-RPS-02
715 P Street
Sacramento, CA 95814

Re: Fuel cells running on Hydrogen and eligibility for RPS under latest proposed RPS
Guidebook update

Dear Commissioner Gallardo and Commission:

The California Hydrogen Business Council (CHBC) is writing to express concerns regarding the proposed changes in the upcoming update to the Renewable Portfolio Standard (RPS) Guidebook. Specifically, we would like to address the implications of Assembly Bill (AB) 1921 as cited in Chapter 2.D, which suggests that the bill “removes the eligibility of fuel cells ‘using renewable fuels,’ which effectively eliminates the eligibility of fuel cells using hydrogen gas.” This interpretation is inconsistent with the legislative intent of AB 1921.

Public Resources Code 25741(a)(1) defines a mix of technologies, feedstocks, or resources that qualify under the RPS. The statute does not prescribe a specific manner in which these resources must be used. For instance, biomethane and biomass are commonly combusted to create steam to spin a turbine, but this is not a mandated requirement. Following this same logic, hydrogen produced from those same eligible resources through reformation, pyrolysis, or other advanced production pathway should qualify under the RPS when used in fuel cells or linear generators.

More specifically, Section 25741(a)(1) provides as follows:

(a) “Renewable electrical generation facility” means a facility that meets all of the following criteria:

(1) The facility uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells or linear generators using fuels described in this paragraph that otherwise meet the requirements of this subdivision, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

When a facility generates electricity from hydrogen that is produced from one of the fuels listed in Section 25741(a)(1), it is using that fuel to produce electricity. Indeed, any different interpretation would unnecessarily reduce demand for these renewable fuels, even as it unnecessarily undermines the emerging hydrogen industry. The effect would be to unnecessarily burden residents of environmental justice communities by eliminating an opportunity to reduce emissions at the point of combustion, while unnecessarily limiting alternatives for energy consumers to reduce emissions.

For electrolytic hydrogen production, the RPS has requirements for regional deliverability, time matching, and additionality and electrolytic hydrogen should not be held to a differential standard than the grid.

The CEC’s position, expressed in the Assembly Appropriations analysis, states, “The Energy Commission contends a linear generator using renewable fuel seems already to qualify as an RPS-eligible electricity generating facility. It is, therefore, not clear why the RPS statute needs to be updated to include specific technologies an RPS-eligible facility may use.”

The intent of AB 1921 was to expand its scope to include linear generation technology; it was not to disqualify hydrogen derived from RPS-eligible resources. Therefore, the CEC’s interpretation and the eligibility criteria within the RPS Guidebook should remain consistent with the broader framework of RPS eligibility.

We urge the CEC to preserve the eligibility of renewable hydrogen derived from RPS-eligible resources. Disrupting existing operational projects and future fuel cell initiatives by eliminating

the use of renewable hydrogen would undermine the intent of AB 1921 and hinder California's broader environmental goals.

Sincerely,

Tim McRae

Vice President for External Affairs

California Hydrogen Business Council

tmcrae@californiahydrogen.org

(916) 995-9685