

To: California Energy Commission
Dockets Office, MS-4
Re: Docket No. 08-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

From: Katrina Fritz Intwala
Plug Power Inc.
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Date: February 19, 2009

Subject: Docket No. 08-ALT-1
AB118 Regulations

DOCKET

08-ALT-1

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2nd set of Comments from Plug Power Inc. on the Development of
Regulations/Investment Plan Funding for AB 118 Implementation, the Alternative and
Renewable Fuel and Vehicle Technology Program

As follow-up to our earlier comments entered into the Docket on November 3, 2008, Plug Power emphasizes their support of hydrogen infrastructure funding which remains essential to a successful launch and deployment of thousands of hydrogen fuel cell units, both on- and off-road, over the course of the 7-year term of AB 118 program funding. Practical, market-ready hydrogen infrastructure is critical to foster this zero-emission technology during the early commercial expansion period.

It is our priority to develop customer-friendly stations in early market communities and clusters in California. It is critical that the projects considered for this funding remain flexible and account for current market trends. Lift trucks are a key early segment ripe for fuel cell vehicle technology expansion. To accommodate this segment, hydrogen dispensing must be offered indoors and be eligible for this funding as well.

As you know, we are working with retailers and manufacturers to convert their fleets of battery-powered forklifts into hydrogen fuel cell-powered lift trucks. Plug Power has several potential customers waiting to move forward with this clean technology if AB118 funding is made available to offset costs of hydrogen infrastructure equipment installed right at their location.

Currently, however, the requirement for a mixed-use fueling station has discouraged customers from investing in hydrogen fuel cell lift truck vehicles. This requirement precludes customers from using hydrogen vehicles because these facilities may be located on private land and may be owned by either the retailer or a leasing company.

Moreover, mixed-use stations are not currently available and a requirement to build this type of hydrogen infrastructure will create a long delay in establishing high-volume fleets for commercial use in California. Limiting this funding to only mixed-use and publicly available hydrogen stations will pose a serious setback to an even larger amount of near-term, early market adoption of hydrogen vehicles in California in the next five years. Alternatively, flexibility in program funding will permit commercialization of fuel cell technology in California, spurring quicker adoption of mixed-use fueling station infrastructure.

Thank you for your consideration.