

February 27th, 2009

Chairwoman Karen Douglas
Commissioner James Boyd
California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET

08-ALT-1

DATE FEB 27 2009

RECD. FEB 27 2009

Re: Docket No. 08-ALT-1 – AB118 Program

Dear Commisioners Douglas and Boyd:

Honda is strongly committed to bring Fuel Cell Vehicles (FCVs) to market, and has already begun marketing the Clarity fuel cell vehicle in Southern California. We have publicly announced plans to bring a few hundred FCVs to market here in California over the next few years, and we are working to increase that volume in subsequent years. Honda plans to market the vast majority of these vehicles to retail consumers.

Fuel Cell Vehicle technology has a great potential to displace petroleum consumption, greatly reduce greenhouse gas emissions and provide a full-function replacement to gasoline internal combustion engines. As such, FCVs can be a strong component of the “Super Ultra Low Carbon” category of emission reductions identified in your “AB118 Investment Plan” published December 2008 by the California Energy Commission (CEC).

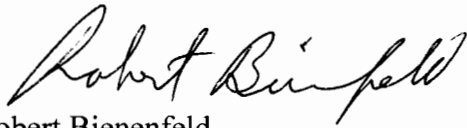
Hydrogen refueling infrastructure development must follow some key principles and guidelines. New hydrogen stations need to be retail-oriented, in much the same way that the best gasoline stations are now: clean, well-lit, visible from busy streets, with easy ingress and egress, and conveniently located to key corridors near residential communities. Some sites could be developed with “semi-permanent” equipment, however, we strongly urge that these “semi-permanent” sites provide a separate island and dispenser to create a better appearance for consumers. Additionally, hydrogen stations need to be clustered together within communities identified as the target, hydrogen communities where OEMs are marketing their FCV’s. Honda has identified these three markets: 1) Santa Monica/West Los Angeles, 2) Torrance/South Bay, and 3) Irvine/Newport Beach.

Based upon a careful survey conducted by the California Fuel Cell Partnership (CaFCP), and based upon our own estimate of industry plans, Honda believes that FCVs demand for hydrogen refueling infrastructure will exceed the available supply sometime in 2010. We believe that one new 100kg/day hydrogen station needs to become operational every

quarter beginning next year. Based upon well-known industry costs for infrastructure, we believe that CEC needs to fund between \$20 to \$40 Million for 10 to 15 stations in the 2009 and 2010 Fiscal Years. We believe that the CaFCP Plan, submitted to the Commission, reflects the industry views and is an accurate assessment of the needs for hydrogen infrastructure.

Honda is deeply committed to the success of hydrogen fueled, Fuel Cell Vehicles. California can play an important, leadership role in funding the early hydrogen infrastructure, and aid in the transition to this "super ultra low carbon" future.

Sincerely,

A handwritten signature in black ink, reading "Robert Bienenfeld". The signature is fluid and cursive, with the first name "Robert" and last name "Bienenfeld" clearly distinguishable.

Robert Bienenfeld
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