

## Comments of Paul Staples of HyGen Industries on the CEC Hydrogen Infrastructure Draft PON

### Comments of Paul Staples, Chairman/CEO of HyGen Industries on the Alternative and Renewable Fuel and Vehicle Technology Program Subject Area - Hydrogen Fuel Infrastructure SOLICITATION-DRAFT,

Docket number 12-HYD-1, "Hydrogen and Transportation-DRAFT Solicitation Comment"

For the purpose of this comment, and the ease of reading and writing it, the following definition of Renewable/Sustainable Hydrogen (RH) must be assumed as my meaning.

My expert definition of Renewable/Sustainable Hydrogen (RH): On-site, On-demand, Safe, and Clean Zero Carbon Hydrogen, generated by electrolysis of water and electricity from 100% renewable/sustainable safe sources of Wind, Solar, Wave, Geo-Thermal, Hydro only. These are sustainable.

No landfill or Natural Gas, no Bio Fuels, no trash incineration, no algae, no carbon fuels or sources at all. All of those are not, and dangerous to people, our planet, our environment, and our economy.

The following comments are specific to the parts of the solicitation that have problems going forward. I have included the Draft text, and then my comments follow.

First of all, there wasn't that much of the last RFP that needed changing, except some streamlining and shortening to eliminate duplication. For example, requiring a whole section on "Project Implementation" is not needed when there is the "Statement Of Work" in a task by task description that describes "Project Implementation" on a task by task level, as well as a MS Project Timeline/Milestone Graph. Why then require duplicative efforts for a whole another section on that same issue? Or why in the "Project Narrative" do you have the proposer holding the reviewers hand, walking them through the whole process as though they know nothing about what they are evaluating. Why not just let us tell our story and make our case.

Other than that, there was no need to change the RFP very much at all. The location description was fine and should have been kept. Now you want all of that, plus a full blown business plan, and all within 50 pages including attachments? That seems onerous and overly complicated. That will be impossible, especially for multiple station proposals.

Also you changed the requirement from last time to require a full proposal for each location? That could involve over a 1,000 pages for the whole process. This must not stand. The time and costs for doing such a large proposal is both costly and suspicious for being overly complex and comprehensive that only a small number of groups can adhere to and manage. This is a serious mistake that must be changed. The current PON is an obvious attempt to keep the RH and small business out of competition.

Changing the whole document is not why we are doing this. It was not the PON that needed much changes (some tweaks only). The problem with the previous PON was the review process and the blatant Conflict Of Interest (COI), the awarding favoritism to the CaFCP "members only" approach, and the "Only Large Fossil Fuel developers need apply" priority. That was the problem, not so much the PON.

The recommendation would be to just remove the CaFCP's involvement in evaluating locations and proposals, and acting as "Gatekeepers" to the application process. Furthermore, for the most part, make some small changes in the PON to make it easier for small businesses to participate. That is it, and let us get to work to implement the California Hydrogen Highway.

The rest of the PON looks like you are attempting to keep the status quo through the RFP. Keep Fossil Fuel the dominant process, and make 100% Renewable Hydrogen the "David Copperfield" of Hydrogen, with the Hat in Hand "Thank you Sir, may I have another?" Rather than the main preferred approach, and the essence of what the Hydrogen Economy is supposed to be and what it was intended. 100% Clean, (Green) Renewable/Sustainable, On-site, On-demand hydrogen generation and dispensing of hydrogen fuel, powered by 100% renewable energy, i.e., solar, wind, geothermal, small hydro, wind and wave power.

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This is the way that it was meant to be. I know, I was the lead in developing the World's First commercially Permitted Solar Hydrogen Generating Facility, Fueling Station, and Hydrogen Fueled converted Vehicle Fleet. I started this with Dr. Zweig, James Provenzano, Dr. Woodrow Clark from both Governors Offices and the team that started this whole effort. This is our party. We started it, I invited the Industrial Gas Industry to participate, figuring having an industrial partner with some (very little actually, I'll explain later) experience in handling hydrogen.

The (Industrial Gas Industry – IGI and the Fossil Fuel Industry) have done everything they can, including buy influence, hiring government officials after they leave government as well as placing them and their spouses or relatives on their boards to dominate the field and squeeze everyone else out in the government funding area. They have even hired renewable hydrogen advocates to take their side and help them advance "Dirty Hydrogen" for the Industrial Gas Industry as a way to keep the funding rolling so they can make regular income in the field, e.g., The Natural Gas Vehicle Coalition. I don't criticize those who want to make a decent living after devoting decades to the environmental advocacy. After all I also have similar goals. Natural Gas is cleaner than petroleum.

For Example, Tim Carmichael was a strong advocate for Renewable Hydrogen, the NG industry saw hydrogen as a threat to NGVs and their plans to dominate transportation. So they hired one of the leading environmentalists in the country to support their plans. True, from an environmentalist perspective only, NG is better than oil in emissions, but from a sustainability and economic perspective, it is no better than petroleum, and still is an emitter of particulates and carbon. I have to say the only reason they hired Tim was for his environmental credentials, not for his extensive knowledge on environmental issues. I fear he is being used as a "Token Environmentalist", to white wash their tactics and efforts. This is what they do.

The fossil fuel industry is deathly afraid of hydrogen from renewable energy sources (RH), which is why they are determined to keep hydrogen in the fossil fuel category, because if clean renewable hydrogen ever gets a hold, they will never be able to compete. So any government funding for deployment is necessary to dominate to keep renewables out of competition. The only way for renewable hydrogen to compete is to get some economies of scale in order to lower the price of renewable hydrogen and systems. If that were to happen, all fossil fuels, petroleum, biofuels, would be out of the transportation fuel business in a decade or two. And they know that. This is exactly how their monopoly on fuel for vehicles started and continues today.

This must stop. If we are going to mitigate and reverse climate change, then the use of NG as our transportation fuel, source must be curtailed and stopped. It is not a transition given the investment in stranded costs for stations. If NG is the only viable source, then we should just forget hydrogen and go there. Use it up as fast as we can, so we can get back to solutions instead of band-aids. Using natural gas as a source of hydrogen is wasteful. You lose half of the energy value of NG converting it to hydrogen, whereas converting water to hydrogen is more efficient and up to 85% or better.

With the prospect of hybrids and new more efficient engine technologies, the efficiency advantage of FCEVs is a wash with Dirty Hydrogen. So all of this money spent for these new technologies will be a waste with dirty hydrogen. If we are to change to a hydrogen transportation fuel paradigm to fight climate change and achieve sustainability - economically, environmentally, scientifically, commercially and operationally, the only path that makes sense is Renewable Hydrogen. Everything else is an effort in futility and keeping the energy paradigm status quo. "Hydrogen from fossil fuels is not hydrogen at all. Just more fossil fuels!"

Now the Draft PON Comments:

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From here on in, all black Font is Draft PON language. My Comments are in Red and Blue Font

The following is my comments on the following sections:

### B. Maximum Award Amount and Funding Cap

Projects are eligible for up to 65% of the total project cost or \$1.50 million, whichever is less. Comment: **UNACCEPTABLE!** go back to incentives from last RFP, this favors fossil fuel entities like AP. Meant to make renewables less likely as Industrial Gas Industry can fund at higher level than emerging 100% renewable hydrogen. This favors dirty hydrogen. Restore the following Table 1 of the sliding scale from the last RFP, as well as the 5% incentive for finishing in 18 months, and the 10% increase in Gov. Cost share for 100% RH:

### 8. Grant Funding Information:

The total funding available for grants awarded pursuant to this solicitation is \_\_\_\_\_.

Each successful applicant may be awarded a percentage of the total project cost based on the sliding scale described in Table 1, below (the "Energy Commission Cost Share"). The remaining project costs are the applicant's required match share ("Match Share").

Table 1

#### Total Station/System Cost Energy Commission Cost Share

Over \$3 million \$1,500,000 or 40%, whichever is greater  
Up to \$3 million \$1,200,000 or 50%, whichever is greater  
Up to \$2 million \$700,000 or 60%, whichever is greater  
Up to \$1 million 70%

#### Examples:

- A station that costs \$900,000 would receive 70% of \$900,000 or \$630,000
- A station that costs \$1,050,000 would receive \$700,000, since \$700,000 is greater than 60% of \$1,050,000 (\$630,000)
- A station that costs \$1,800,000 would receive \$1,080,000, since \$1,080,000 (60% of \$1.8 million) is greater than \$700,000

#### Renewable Hydrogen Content:

The Energy Commission acknowledges that providing renewable hydrogen increases operation costs. For proposed fueling station(s) that will dispense renewable hydrogen exceeding 33.3% by volume, the Energy Commission may fund an additional 10% of the total station cost.

To promote market diversity, a single hydrogen fueling equipment (HFE) supplier is eligible for no more than 40% of the total funds awarded under this solicitation. For this purpose, "hydrogen fueling equipment supplier" is an entity that provides, sells, or leases equipment that dispenses hydrogen for the transportation sector.

If and when this cap is reached, applications utilizing the HFE supplier will be disqualified from receiving further funding under this solicitation. The Energy Commission, at its sole discretion, reserves the right to modify or eliminate the cap if remaining passing applications utilizing HFE suppliers under this cap are insufficient to award the available funding under this solicitation.

Comment: Okay if this restriction is for Fossil Fuel Hydrogen (Dirty Hydrogen) only. Exclude 100% RH from this restriction only. Otherwise, I take this as an intentional attack against those of us trying to develop multiple RH Stations. It is well known now there are some of us who are planning to submit proposals for multiple RH stations. This is a blatant attempt to keep small businesses like mine from applying with multiple RH stations. We have recruited over 20 locations and up to 100 candidates all located in prime locations that AP could not recruit because they plan to sell Dirty Hydrogen!

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### B. Maximum Award Amount and Funding Cap (contin.)

If we can bring in the systems cost below \$1.5 mil./station (equipment costs) and show a renewable energy cost below what is currently available in retail pricing, the IGLs are afraid they will be out of the fueling business, and will have to retreat back to the Industrial Gas Business only. The NG Industry will also have to retreat from the vehicle fuel business and stick to providing energy to power plants, homes and business for heating and cooking, which is here they belong.

Therefore, If I, If I, or anyone else for that matter can: 1), provide multiple prime Grade A locations, with 100% RH systems at a price that cuts the equipment costs in half or more, 2), meets all the requirements of the RFP, 3), can achieve that in under 24 months, and 4), require more than 40% of the available funding, then you should fund it. But only if it is 100% RH. After all that is the goal, isn't it?

### C. Renewable Hydrogen Set-Aside

Of the funding available, up to \$3.00 million is designated for stations dispensing 100% renewable hydrogen fuel where hydrogen is generated from renewable sources, either on-site or off-site. See Section III.C. which defines eligible renewable hydrogen feedstock's and eligible renewable resources. In the instance where insufficient eligible and passing renewable hydrogen station applications are received, the Energy Commission reserves the right to award the renewable hydrogen set-aside funds to other eligible projects. Applicants applying for this set-aside must certify that their proposed project is eligible by checking the appropriate box and signing the application form (Attachment 1). Applicants who fail to check the appropriate box will not be eligible for the renewable hydrogen set-aside funds.

Comment: **UNACCEPTABLE!** This is a free ride set aside for dirty hydrogen. They can now feel comfortable that they will get most of the money and most of the locations as theirs! 90% to dirty hydrogen, and the rest - 10% to renewable hydrogen (RH)? The opposite should be the case. It should be the other way around, or 0 to dirty hydrogen, and 100% to RH. If they want to do dirty hydrogen, then let them pay for it. The government should only fund the cleanest, safest and most sustainable options, which lay the ground work and basis for the future. This is an attempt to squeeze out 100% renewable hydrogen. It should be on-site only as transportation from central facility will add carbon footprint due to transport and delivery of h2. On-site SMR is even worse.

## III. Eligibility

### C. Minimum Technical Requirements

To be eligible under this solicitation, proposed hydrogen fueling stations must **at a minimum** include **each of the following technical requirements**:

- 50 kilogram (kg) Nominal Station Capacity: The station(s) / dispenser(s) shall be capable of dispensing hydrogen fuel, at a minimum amount of no less than 50 kg per day nominal capacity per station.

Comment: **UNACCEPTABLE!** Again, meant to exclude 100% renewable hydrogen. This makes it impossible to make profitable with such low capacity. Favors the dirty hydrogen industry, and undermines any competitiveness with dirty hydrogen from the IGI by assuring that the smaller systems will quickly become obsolete. Furthermore, their companies that they have partnered with will get most of the money for small cheaper electrolytic systems and thus prevent any larger competitive systems from getting any funding. Again, this is meant only to show how inadequate electrolysis is, and is wrong. Designing RH to fail. That is the standard approach of fossil fuel companies taking on renewable energy. No one would be willing to put up the required cost share for any smaller systems than 120 kg/day. No ROI. Is that your intent by changing this?

For the purposes of this solicitation and for evaluating the contribution of renewable resources to hydrogen production by direct physical pathways, the term "renewable hydrogen" includes hydrogen produced by eligible renewable feedstock's ((Public Resources Code Section 25741(a) (1)) and eligible renewable energy resources, ((Public Resources Code Section 25741 (a) (1)) as defined below.

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### C. Minimum Technical Requirements (contin.)

a) *Eligible renewable feedstocks* include the following: **Comment:**

~~Digester gas~~ - wrong and not sustainable

~~Landfill gas~~ - wrong and not sustainable

~~Sewer gas~~ - wrong and not sustainable

~~Biomass~~ - wrong and not sustainable

~~Biodiesel~~ - wrong and not sustainable

~~Municipal solid waste~~ - wrong and not sustainable

Geothermal · Sustainable?

Small hydroelectric (30 megawatts or less) · Sustainable?

Ocean wave · Sustainable

Ocean thermal · Sustainable

Ocean tidal current · Sustainable

Photovoltaic (PV) · Sustainable

Solar thermal · Sustainable

Wind Power · Sustainable

b) *Eligible renewable energy resource* is electricity produced from the eligible renewable feedstocks, listed above, at a “renewable electrical generation facility” defined in Public Resources Code Section 25741, subd. (a), with the following stipulations and clarifications:

Biodiesel: The electricity produced from combusting biodiesel is eligible to the extent that the biodiesel is derived from the following: ·

- A biomass feedstock such as agricultural crops and agricultural wastes and residues, or ·
- An eligible “solid waste conversion” process using municipal solid waste (MSW) (refer to the MSW eligibility, below).

Renewable contribution for biodiesel facility: ·

- If the facility is certified as a Qualifying Small Power Production Facility (QF) under the federal Public Utilities Regulatory Policies Act (PURPA), then 100 percent of the electricity production from the facility may count as renewable provided the facility satisfies the fossil fuel use limitations specified in PURPA. **Comment: Please explain what this means?· BIOFUELS ARE NOT SUSTAINABLE, THEY ARE CARBON FUELS!**

Landfill gas (LFG): gas produced by the breakdown of organic matter in a landfill (composed primarily of methane and carbon dioxide **Comment: - NOT TRUE! Carbon Tetrachloride, Poly-vinyl-chlorides, Benzene, pesticides, many pollutants requiring processing. Better to flare the gas! Very dirty hydrogen.**

Municipal solid waste (MSW): solid waste as defined in Public Resources Code section 40191.

**Comment: Encourages waste incineration and discourages recycling.**

MSW conversion: A technology using a non-combustion thermal process to convert solid waste to a clean burning fuel for the purpose of generating electricity that meets all of the following criteria:

- The technology produces, as determined by the Commission, a net reduction in discharges of air contaminants or emissions, as compared to the discharges or emission if the technology is not used, including greenhouse gases as defined in Health and Safety Code Section 38505(f). (Gases can be flared and get the same result. **Comment: Adds carbon to the cycle, incentivizes wasteful practices and competes with recycling. Same as incinerators. Will result in less recycling as down the road recyclables will be incinerated as a cheaper way of handling recyclables. NOT ACCEPTABLE TO ANY ENVIRONMENTAL EFFORT TO REDUCE WASTE!**
- The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling and composting. **Comment: State law requires 50% recycling???**



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### D. Multiple Applications

Applicants may only propose one fueling station per application submitted in response to this solicitation. Applicants may submit multiple applications. **Comment: UNACCEPTABLE!** The last RFP allowed multiple stations with one application. This is a blatant attempt to exclude small business participation and renewable hydrogen. Especially as a floor-plan is provided for each station with the equipment and costs being uniform for each, as well as the SOW. Otherwise you are perpetuating unnecessary paper and work. So long as all the information is provided as requested. Multiple station proposals for renewables are for a reason. Economies of scale are necessary to make it economically viable as well. In otherwords, it's an all or nothing deal. No cherry picking. To get competitive economies of scale for renewable hydrogen, you need to deploy at least 12 stations to make it viable for commercialization. Otherwise the station costs are \$2 mill.+ with your 700 bar requirement, and not enough energy required to get wholesale renewable energy pricing as well. No investor will invest in anything less than 12 - 15 stations. That is why no one is submitting proposals for just 1 station, and the perception (apparently the reality) is that you will not fund multiple stations because the Industrial Gas Industry is running the show, So why bother.

### E. Eligible Costs

If an applicant is submitting multiple applications, the applicant should fill out the Amount of Funds Requested on the Application Form (Attachment 1) for the largest amount (not to exceed the cap or 1.5 million) that the applicant might need for ancillary equipment. In the budget, the applicant should provide two budget forms, one budget which assumes that all applications are funded and one which assumes that only this application is funded. **Comment: UNACCEPTABLE!** One application and budget for each station in multiple locations are both unnecessarily difficult to propose and costly. Multiple locations in one proposal are for a reason, single station proposals/projects are not financially viable.

The Energy Commission will **not** reimburse for costs incurred before final execution of the grant agreement. **Comment: Wrong!** Instead, it should be allowed for crediting costs of engineering drawings or any other project expense required after NOPA for the grant agreement approval.

### F. Match Funding Requirements and Disclosure

The balance of the project cost beyond the Energy Commission cost share is the Applicant's required match share. Applicants must provide a minimum cost share ("match") of 35% of total project costs. For example, if a proposed project has a total project cost of \$2,000,000, the minimum match funding requirement is \$700,000 (\$2,000,000 x 35%). Applications with a greater percentage of the total project costs in match funding will be scored higher than those with lower match funding shares. See Section XII for details on scoring. The following applies to match funding: **Comment: UNACCEPTABLE!** Again this is another attempt to exclude small business participation in this program. It is unfair to provide more credit to a large company that is capable of funding the whole project of Dirty Hydrogen (should not be funding at all), and exclude a small company proposing 100% clean, renewable/sustainable hydrogen.

## IV. Station Location Areas

Table 2 identifies the Energy Commission's preferred station location areas. Under this solicitation, eligibility is not limited to preferred station location areas. Locations are scored under scoring criteria 7 and 8. Only one station will be funded per station location area and applicants are required to select the station location area they are applying for by checking the appropriate box on Attachment 1. If a proposed station is outside the preferred station location areas, the applicant should select the station location area that is closest to their station. The only exception to the single station per station location area is for co-located stations proposed under the non-road station set-aside (See Section II (D)), in which case two stations could be funded in a station location area listed in Table 2. **Comment: UNACCEPTABLE!** This is a blatant attempt to award monopolies to your Industrial Gas partners

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**IV. Station Location Areas (contin):** When developing proposals, applicants are highly encouraged to refer to Attachment 11, "*Station Location Areas, STREET Maps and Textual Descriptions*" which are also located on (insert the Web site). **Comment:** Not very accurate. You have areas requesting stations where none, or only one exist??? i.e., Beverly Hills. Where in your wildest imagination did you get the idea that a corner in downtown BH would be priced so that a gas station would be able to afford to operate. They would have to charge \$10-\$20/gal. of gas. Does anyone ever check if there are stations actually located in your preferred areas? Sounds like another example of the "Confidential, Proprietary Data from the Auto Companies" from the last RFP, that requested a station North of Montana Street on 14th st. in Santa Monica, where nothing but million dollar mansions exist.

The STREET maps, generated by a process designed and applied at the Advanced Power and Energy Program at the University of California at Irvine (UCI), are based on geographic information system (GIS) data, land use and infrastructure, traffic behavior, vehicle projections, and market information. These maps show a gradation of color based on UCI analysis. **Comment:** Funded by Air Products and the fossil fuel industry??? Use someone else. The darkest red color represents the highest priority for hydrogen stations locations within the station location area. These preference maps will be used to score all applications, including proposals for the non-road station set-aside. **Comment:** In BH, there are none in any of your "Red Color Shaded areas!"

The Energy Commission will use the station location area during scoring (Section XII). The Energy Commission will work with UCI to determine the GIS coordinates, which will identify which shade of red a station location is in and the driving time to the geographic locations of intersection. **Comment:** Inadequate, as described earlier).

Depending on funding levels, the CEC may not be able to fund stations in all twelve of the station location areas listed in Table 2. See Section VI. for more information about the Commission award process.

Table 2. Station Location Areas (in Alphabetical Order)

**Comment:** Must restore San Jose as a location for stations. It is the capitol of Silicon Valley, with major corporations with their corporate offices there. Again, there seems to be a concerted effort to disqualify existing recruited locations our team has developed for RH. This must not be allowed to stand. Also why is Santa Monica removed. There are no existing stations actually located in Santa Monica, and only one recently funded. What is going on?

### AREA

Anaheim  
Beverly Hills/Westwood  
Cupertino  
Hollywood/West Hollywood/Melrose  
Mission Viejo/Laguna Hills  
Mountain View (Add San Jose)  
Pasadena  
San Diego (Del Mar)  
San Francisco  
Torrance/Redondo Beach  
Westminster/Huntington Beach  
Woodland Hills, Calabasas, Agoura  
Hills

In addition, applications should demonstrate that the applicant has considered the current network of existing and planned hydrogen fueling stations. Table 3 provides a list of existing and recently funded hydrogen fueling stations. Applicants should consider these existing and future stations when (i.) selecting their proposed station location area, (ii.) preparing their application, (iii.) responding to the market viability scoring criteria (C.2). **Comment:** Favors "Dirty Hydrogen", which is all you have been funding. If someone comes up with a better location for a 100% Renewable Hydrogen, which happens to be nearby the "Dirty Hydrogen Station, CEC should give preference to the 100% Renewable Hydrogen station and approve it.

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### IV. Station Location Areas (contin)

In addition, applications should demonstrate that the applicant has considered the current network of existing and planned hydrogen fueling stations. Table 3 provides a list of existing and recently funded hydrogen fueling stations. Applicants should consider these existing and future stations when (i.) selecting their proposed station location area, (ii.) preparing their application, (iii.) responding to the market viability scoring criteria (C.2).

#### Existing Stations

11576 Santa Monica Blvd, West Los Angeles, CA 90025  
2051 W. 190th Street, Torrance, CA 90501  
32505 Harry Oliver Trail, Thousand Palms, CA 92276  
145 W. Verdugo Avenue, Burbank, CA 91510  
1172 45th St., Emeryville, CA 94608  
10844 Ellis Ave, Fountain Valley, CA 92708  
19172 Jamboree Blvd, Irvine, CA 92612 (also listed as an upgrade, below)  
1600 Jamboree Blvd., Newport Beach, CA 92660

#### Recently Funded Stations

1402 Santa Monica Blvd, Santa Monica, CA 90404  
Veteran & Kinross, SW corner of campus, Westwood, CA 90095  
11261 Santa Monica Blvd, Los Angeles, CA 90025  
1004 S. La Cienega Blvd, Los Angeles, CA 90035 (Beverly Hills)  
5230 Rosecrans Ave, Hawthorne, CA 90250  
1131 Pacific Coast Highway, Hermosa Beach, CA 90254 - [Comment: Still not in operation after 2 years?? Should be canceled, or not used to prevent another better station location approval nearby. Especialy 100% Renewable!](#)  
25826 S Western Ave, Harbor City, CA 90710  
19172 Jamboree Blvd, Irvine, CA 92612 (upgrade in development)  
4162 Trabuco Rd, Irvine, CA 92620  
Chevron Station, 30072 Crown Valley Parkway, Laguna Niguel, CA 92677  
21865 E. Copley Dr, Diamond Bar, CA 91765  
5151 State University Dr. Los Angeles, CA 90032  
2816 West Capitol Ave, West Sacramento, CA 95691 - [Comment: has been canceled!](#)

### V. Payment of Prevailing Wages [Comment: SMALL BUSINESS SHOULD BE EXEMPTED - And under state laws there are exceptions for small businesses in competitive bids such as this one. Too much BS & cost for SB's to compete with big guys. Projects w/ commercial stations and not with city or gov. agencies should be exempt for small business.](#)

Some projects under this solicitation might be considered public works pursuant to the California Labor Code. This section explains how to determine such projects. Further, this section provides information resources if the project involves public works and how the payment of prevailing wages applies to such projects.

### VI. General Statement on Method of Awarding

3. Funds will be awarded to the highest scoring projects achieving a passing score, in order, until all funds available have been allocated. Once the highest scoring station in a particular station location area is selected (Table 2), all other stations proposed in that station location area will no longer be considered for funding except for (1) projects applying for the non-road set aside (co-location) (see section II.) or (2) in the case where the highest scoring station is removed from consideration. [Comment: What about redundancy? If that station goes down, then there is nothing in that area, those customers are in the cold.](#) In cases where the two highest scoring applications in a particular station location area have the same score, the Evaluation Committee reserves the right to conduct an objective tiebreaker (e.g., coin toss or other objective method) to determine the winning application.") [Comment: Are you kidding??? A coin toss??](#)



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### VI. General Statement on Method of Awarding

6. **Set-Aside Process:** Proposals eligible for the set-aside(s) specified in this solicitation will initially compete separately from the proposals not eligible for the set-aside(s). Proposals will be scored, ranked and awarded. Once the set-aside funds have been awarded, the remaining unfunded proposals will compete for solicitation funding with all other proposals received under this solicitation. **Comment:** INCREASE THE SETASIDE FOR RENEWABLES AS 1ST CHOICE UP TO 100% OF THE FUNDING IF SCORED HIGH AND ELIGIBLE, NOT A PITIFUL 10% - \$3 MIL. THERE MUST BE A PREFERENCE FOR 100% RENEWABLE.

### IX. Application Format, Required Documents, Delivery, and Application Organization

3. **Total Number of Pages:** The total number of pages for an application form and statement of work shall not exceed 50. This excludes appendices and resumes. **Comment:** If limited to 50 pages, then you have to reduce the required information in the RFP. The last one would be impossible to do in 50 pages.

7. **Submission Deadline and Restrictions:** Applications must be delivered **no later than 3:00 p.m.** to the Energy Commission's Contracts, Grants and Loans Office during normal business hours and prior to the date specified in this solicitation. Applications received after the specified date and time are considered late and will not be accepted. There are no exceptions. Postmark dates of mailing, E-mail and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances. **Comment:** Should allow at least a 60 day response period after release of RFP.

## X. Application Requirements

### B. Project Narrative

- The application shall provide information about the potential greenhouse gas emissions of the proposed project, in grams of CO<sub>2</sub>-equivalent per mega joule, total metric tons per annum, and total metric tons over the design life of the project compare with the appropriate petroleum baseline listed in the LCFS. **Comment:** 100% Renewable from onsite electrolysis too?? Should be exempt? ZERO CARBON, ZERO EMISSION! WHAT MORE DO YOU WANT???

### E. Project Team

1. Identify, by name, all key personnel assigned to the project, including the project manager, and clearly describe their individual areas of responsibility. The project manager is the one individual responsible for interacting with the Energy Commission Grant Manager on all issues relating to the overall project and coordinating all aspects of work under the project. **Comment:** On multiple station applications in multiple clusters, the Project Director/General Manager will be the point of contact. Every location can not have a project manager from each location having to report to the CEC - would be a nightmare both in terms of costs and time. Reports need to be done, but not with this requirement only.

**G. Budget Forms:** Proposed budgets must conform to the following requirements:

8. The purchase of equipment (defined as items with a unit cost greater than \$5,000 and a useful life of greater than one year) with Energy Commission funds will require disposition of purchased equipment at the end of the project. Typically, Grant Recipients may continue to utilize equipment purchased with Energy Commission funds as long as the use is consistent with the intent of the original Grant Agreement. *There are no disposition requirements for equipment purchased with match share funding.* **Comment:** IMPORTANT! THIS IS NEW! DEVELOPER MUST BE ABLE TO ENCUMBER ALL EQUIPMENT, AFTER 3 YEAR OPERATION PERIOD - Project equipment ownership must transfer to project developer, in order for investors to risk investment of \$ millions in project.

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### I. Business Plan

Applicants must provide a business plan, which shows cash-flow projection over the duration of the Energy Commission-funded project, describing when the business is projected to break even. The plan shall include all assumptions. **Comment: A Project Plan? - Absolutely. A proprietary private Business Plan? Not even if you promised to keep it Proprietary and Confidential. Absolutely Not! Everything you need to know about the project will be in the proposal including expansion plans and relative financials. UNACCEPTIBLE!**

### J. California Environmental Quality Act (CEQA) Compliance Information

Applicants must complete Attachment 9. The Energy Commission requires this information to assist its own determination of what level of environmental review is required under the California Environmental Quality Act (Public Resource Code Section 21000 et seq). The Energy Commission must ensure that the appropriate level of environmental review under CEQA is complete prior to advancing a project to a Business Meeting for Commission approval. Thus, no award can be approved, nor can any grant be executed, until CEQA is satisfied. **Comment: Then we wait for your determination??? Then what! Must give 60 days to comply with your determination. If the local agency says it is exempt, or not applicable, since they are the one that makes that determination, let it stand, unless we feel it needs to be appealed, or it's determination is vague or non-responsive, then your involvement is needed. Otherwise leave it be, unless it is necessary to get a determination.**

4. CEQA Lead Agency: Applicants must identify the CEQA lead agency and include documentation demonstrating that contact has been made with the local agency with jurisdiction over the project for purposes of complying with CEQA. The documentation may be in the form of a letter from the local agency or a CEQA application to the local agency that is stamped as received by the local agency. **Comment: THIS SHOULD NOT BE REQUIRED UNTIL NOPA, then have in place by contract date. Otherwise this incurs unnecessary proposal time and expenses not even recoverable at award?**

### XI. Application Evaluation

3. Scoring Process: The total score for each Application will be the average of the combined scores of all Evaluation Committee members. A minimum of 70 percent is required for an application to be eligible for funding. See Section XII (B) for methodology. In cases where the two highest scoring applications in a particular station location area have the same score, the Evaluation Committee reserves the right to conduct an objective tiebreaker (e.g., coin toss or other objective method) to determine the winning application. **Comment: Again, ARE YOU KIDDING? A COIN TOSS??? HOW ABOUT THE MOST RENEWABLE OR CLEANEST, MOST SUSTAINABLE, EFFICIENT??? a coin toss! Brilliant!**

### XII. Screening and Scoring Criteria

**C. Scoring Criteria:** Applications advancing to the scoring round will be evaluated based on the scoring criteria specified in Table 8.

#### 3. Project Readiness Weight: 6

Maximum Points 60

- Degree to which the proposal demonstrates that the project is consistent with existing zoning. Projects located in areas that already allow the proposed use will be scored higher. **Comment: Not fair, favors those already awarded and their deployment plans.**
- Degree to which permitting that may be required for the project has been completed and the permitting schedule ensures successful project completion within the timeframes specified in this solicitation. Projects with existing permits and / or submitted permit applications will be scored higher. **Comment: Again, not fair. Favors those already awarded and their deployment plans, or those that risk paying upfront expenses that otherwise would be expended once awarded. No consideration should be given for this if done in advance of NOPA.**

## Comments of Paul Staples of HyGen Industries on the CEC Hydrogen Infrastructure Draft PON

### XII. Screening and Scoring Criteria (contin.)

- Degree to which the proposed project schedule is reasonable and installation can be complete on or before October 30, 2014. Projects that can be installed more quickly will score higher. **Comment:** Depends on when the contract is signed, so long as we have the maximum of 24 months to completion is what matters, and cost share increases are awarded to those that complete in 18 months.

#### 4. **Project Implementation** Weight: 4 **Comment:** Should be eliminated in place of SOW

Maximum Points 40

- Degree to which the station provider will implement a maintenance plan. Agreements that cover station maintenance for at least 3 years, include response to station maintenance/service issues within 12 hours and a 24-hour, toll-free service telephone will be scored higher. **Comment:** Station Provider?? Is that the Project Developer? If so, then that will be outlined as such. The Station Owner doesn't deal with maintenance or service. We do.

#### 7. **Location According to STREET Maps** Weight: 8

Maximum Points 80

- Using the STREET maps in Attachment 11, priority will be determined based on the following: **Comment:** You need a different process. So far you are 0 for 2, some of the requests don't even have stations within your areas. Like the important BH map! Suggestion? Download a database of all stations located on the Westside of LA (and SF/SD affluent areas), map them and then choose your area clusters in the affluent/high traffic areas. You need to choose locations where there are actually stations, not north of Montana on 14th st. in SM - where there are only Mansions, like last time. Or in downtown Beverley Hills, the most expensive commercial property in the world, where again, no stations exist. And will not ever.

#### 8. **Location According to Intersections:** Weight: 4 Maximum Points 40

- The degree to which the proposed hydrogen fueling station demonstrates the station will be in the shortest drive time to the geographic intersection(s) identified in Attachment 11. **See above!**

**Comment:** Also, shouldn't limit your choices. Remember, right now we are just starting to build the infrastructure. Station owners are taking a leap by participating. Unless they are renting the land, this has no immediate profit potential yet. In otherwords, the old axiom applies "Beggars can't be choosy!"

#### 9. **Proposed Hydrogen Fueling Station Performance** Weight: 2 Maximum Points 20

- The average daily station capacity (kg/day) shall be the total kg of hydrogen that can be delivered to 7 kg-capacity vehicles according to the SAE TIR J2610 Fueling Protocol over a 12 hour period. Proposals capable of delivering more kg of hydrogen per day will be scored higher than those delivering less. 4 For purposes of evaluation, **140 kg per day is considered average.** - **Comment:** Is this the new preferred capacity? 140kg/day/ 100 kg/day should be the preferred capacity like the last RFP. Why are you changing this now! That was not a problem with the last one. Conflict Of Interest was the problem. The process was the problem, not technical issues.

#### 11. **Sustainability** Weight:3

Maximum Points 30

- Applicants shall quantify the potential greenhouse gas emissions reductions (percent reduction) of the proposed project in grams of CO2-equivalent per mega joule, total metric tons per annum, and total metric tons over the design life of the project compared to the greenhouse gas emissions reductions of the appropriate petroleum baseline listed on the Low Carbon Fuel Standard website. Applications with greater greenhouse gas emissions will be scored higher. **Comment:** 100% Renewable Hydrogen stations from 100% renewable electricity with electrolysis is a 100% reduction in GHGs for every car serviced. Should not that be enough. The CEC has the stats on that, and can figure the actual CO2 numbers. Zero is Zero! What more do you need? Make work may be good for government work, but not for business. Work = time = \$\$\$\$

## Comments of Paul Staples of HyGen Industries on the CEC Hydrogen Infrastructure Draft PON

### 11. Sustainability Weight:3 (contin.)

- Applicants are encouraged to refer to the Alternative and Renewable Fuel and Vehicle Technology Program Regulations in 3101.5 of Title 20 the California Code of Regulations. [Comment: Make sure you publish that rule in the solicitation. You have it, know it, then include the text of it in the PON. Why make us look it up.](#)

## XIII. Administrative/Miscellaneous Issues

### E. Errors

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the Applicant shall immediately notify the Energy Commission of such error in writing and request modification or clarification of the document. Modifications or clarifications will be given by written notice of all parties who requested the solicitation, without divulging the source of the request for clarification. The Energy Commission shall not be responsible for failure to correct errors. [Comment: Oh yes you are, if an error causes a rejection of an applicant due to your error, you are responsible for correcting the error and re-evaluating those harmed by your mistake. If after being notified and you refuse to correct and an applicant is harmed, you are responsible and liable. Just saying you are not, does not make it so. Only a judge can make that determination. And a judge will likely require the CEC to make appropriate rectification of the problem and make those harmed by the error whole again. At least that is what my most attorneys says!](#)

### F. Modifying or Withdrawal of Application

An Applicant may, by letter to the Contact Person at the Energy Commission, withdraw or modify a submitted Application before the deadline to submit applications. Applications cannot be changed after that date and time. An Application cannot be "timed" to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: "This application and the cost estimate are valid for 60 days." [Comment: What do we do when vendors provide such statements in their bids?](#)

[There needs to be another workshop to discuss this PON before it is released as promised in the July 10th workshop to hear, debate and publically discuss this PON.](#)

[Feel free to call me if you have any questions.](#)

[Sincerely,](#)

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