



California Energy Commission

DOCKETED
12-HYD-1

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September 17th, 2012

California Energy Commission
Dockets Office, MS-4

Re: Docket No. 12-HYD-1: Hydrogen and Transportation: DRAFT Solicitation

1516 Ninth Street

Sacramento, CA 95814-5512

[docket@energy.state.ca.us]

RE: Hydrogen and Transportation: DRAFT Solicitation of September 7, 2012

CEERT thanks the CEC for the opportunity to provide comments on the ARFVTP Draft Solicitation on Hydrogen Fuel Infrastructure and commends the CEC Staff for their considerable and excellent work during the June and July workshops and in preparing the next solicitation on Hydrogen Fueling Infrastructure. Below, we provide what we hope are helpful comments on the September 7th draft solicitation.

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II. Funding Information

A. Available Funding

The draft solicitation notes that “\$18.69 million is available under this solicitation. The Energy Commission reserves the right to award up to \$29.69 million.” It would be helpful to elaborate further regarding what circumstances would need to exist in order for the solicitation to be increased up to \$29.69 million. A solicitation funded at this higher level might also require that changes be made to certain restrictions that are imposed and make sense at the \$18.69 million funding level. For example, under **IV. Station Location Areas**, is one station per preferred station location area (page 16) consistent with deployment plans in each area if funding is elevated to the \$29.69MM level (where more than one station per area might be appropriate for both coverage and capacity)?

III. Eligibility

C. Minimum Technical Requirements

We are concerned that the 50 kilogram (kg) Nominal Station Capacity and 20 kg per Hour Peak Fueling Capacity might fall short of what will be needed to support the number of fuel cell vehicles in 2016 and beyond. If the CEC retains these as the minimum performance requirements then the station proponent should be required

to include a plan for how they would cost-effectively increase both station capacity (~150-250kg/day) and peak fill capacity (~70kg/hour) during rush periods.

SAE TIR J2601 refers to the hydrogen fueling protocol. Reference to this in the draft solicitation is a little confusing since it might be read as referring to the standard for hydrogen as a fuel rather than to a station/dispenser's performance in delivering the fuel.

33% renewable hydrogen dispensing capacity. While CEERT supports increasing the amount of renewable hydrogen used as a transportation fuel in California, this requirement in the proposed solicitation appears to be premature as the requirements for SB1505 (Lowenthal Chapter 877, Statutes of 2006) have still to be defined through the rulemaking at CARB.¹ Moreover, it is not clear what is being required when referring to, "...credits that conform to the Air Resources Board (ARB) Low Carbon Fuel Standard (LCFS) program." (page 10) The LCFS does not distinguish between different types of hydrogen credits. LCFS credits are generated based solely on the amount of GHG reductions a particular fuel generates. Furthermore, in having the requirement that hydrogen "...be produced from eligible renewable feedstocks ((Public Resources Code Section 25741(a) (1)) and eligible renewable energy resources, ((Public Resources Code Section 25741 (a) (1))as defined ..." (pages 10-13) the solicitation risks being overly prescriptive. For example biodiesel is allowed but cellulosic methanol might not be allowed (depending on how flexibly "biomass" is interpreted to apply as an eligible feedstock in this particular context)?

E. Eligible Costs

CEERT supports allowing up to \$200,000 in funds for operation and maintenance costs for up to three years of the agreement. We presume that this makes up part of the \$1.5 million maximum funding allowed and is not additional to the \$1.5 million. It might be helpful to clarify this in solicitation.

IV. Station Location Areas

The draft solicitation allows that, "...eligibility is not limited to preferred station location areas." It would seem that in allowing proposed stations to be located outside preferred station location areas that it should be stressed that project proponents risk getting a lower score on this part of the evaluation. It might be useful to have the PON caution the project proponent in these instances and further stress that they need to also discuss the implications of their site selection on the "Market Viability" of the project which is another of the scoring criteria (**XII. Screening and Scoring Criteria**)?

¹ <http://www.arb.ca.gov/msprog/hydprod/hydprod.htm>

VII. Solicitation Workshop

Given the complexity of these types of projects it might be appropriate to hold more than one solicitation workshop for this PON.

Sincerely,

A handwritten signature in black ink, appearing to read "John Shears". The signature is fluid and cursive, with a large loop at the beginning.

John Shears
Research Coordinator
Program Lead for Clean Transportation and Alternative Fuels
Center for Energy Efficiency and Renewable Technologies

Cc/
Charles Smith
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