

**PROTON**THE LEADER IN **ON SITE** GAS GENERATION

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California Energy Commission

DOCKETED**15-HYD-01****TN # 76137****AUG 21 2015**

August 21, 2015

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 15-HYD-01, Draft Solicitation Concepts, For Hydrogen Refueling Infrastructure

Dear CEC Dockets Unit:

I am writing to provide comments on the Draft Solicitation Concepts discussed in the CEC Workshops on August 13 and 14. These comments are being submitted on behalf of Proton OnSite, 10 Technology Drive, Wallingford, CT 06492.

We appreciate the opportunity to participate in the solicitation workshop, and to provide comments on the solicitation concepts for Hydrogen Refueling Infrastructure. We would like to provide a few brief comments and suggestions to be entered into the public record.

1. The net \$250K reduction in award grants (e.g. from \$2.125M in PON-13-607 to \$1.875M in the proposed PON) will only further reduce the diversity of hydrogen feedstocks and technologies represented in the portfolio of stations proposed. At the previous \$2.125M funding level, it was difficult to propose anything other than a delivered hydrogen solution. Reducing the available grant per station by another \$250K will only assure that CEC gets only one technology solution in the proposal responses. To the extent that CEC says it is interested in seeing a diversity of suppliers, technologies, and production pathways, reducing the grant funding level is short sighted and runs counter to CEC's stated interests in this regard.
2. Likewise, the new restriction on using O&M funding "to procure and/or produce hydrogen gas for retail sale" will only assure that few or no electrolyzer stations are proposed in this next round. The majority of the cost of hydrogen production by electrolysis is the cost of the electricity. If a station owner cannot use O&M funding to pay for his electricity bill at an electrolyzer-based station, he is put at a competitive disadvantage with other station owners who choose to get their hydrogen from a delivered source. In this scenario, the restriction on O&M funding will simply assure that there is no diversity of supply/technology/pathways that is supposed to be part of the market development and sustainability program objectives. We strongly recommend that this restriction on O&M funding be removed from the solicitation.
3. We support the recommended approach of scoring proposals higher that exceed the minimum 33% renewable hydrogen dispensing requirement. However, we feel that these extra points should not be buried in the "Project Implementation" category. The scoring points for higher renewable hydrogen content should be explicitly stated, and should be awarded as bonus points after all other scoring categories are totaled up. So for example, the bonus points to be awarded for additional renewable hydrogen could be in a schedule like this:

50% renewable hydrogen: 10 points
75% renewable hydrogen: 20 points
100% renewable hydrogen : 30 points

Proposers need to know how many additional points they can secure for renewable hydrogen before they are going to make the necessary investment in a higher renewable content. Please make the incentive for renewable hydrogen explicit and clear.

4. We don't feel that scoring "Safety Planning" is the best way to assure a safe project. Safety Planning should be a pass/fail criteria. Either your proposal includes an acceptable safety plan or not. If a proposal scores 10 out of 50 points for Safety Planning, but it scores highly in all other categories, does that station deserve an award? Assuring an appropriate safety plan should be part of the overall pass/fail criteria along with eligibility and meeting the technical requirements.

5. Under the Qualifications scoring criteria, past performance should be strongly considered. CEC has funded a number of station projects that have been plagued by both poor technical and schedule performance. This is true for both the prime contractors awarded by CEC, as well as the subcontractors they have chosen. When it comes to evaluating qualifications of the proposing teams, CEC should closely examine the performance of all key contributors including equipment providers. Furthermore, proposers should be required to provide a minimum of three references for relevant projects to receive the maximum points under the Qualifications category.

We appreciate the opportunity to provide these comments, and I would be happy to discuss any of these items further with the PON development team.

Sincerely,



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