



California Energy Commission

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Thank you for the opportunity to participate in the August 13-14, 2015 Draft Solicitation Concepts Workshop on Hydrogen Refueling Infrastructure. Energy Independence Now (EIN) supports the CEC's efforts to expand the network of publicly accessible hydrogen refueling stations and we applaud the commission's willingness to engage the stakeholder community.

EIN is submitting the following written comments to memorialize the verbal comments submitted during the workshop:

1) Recent efforts to develop hydrogen infrastructure in California have highlighted the importance of **Community Readiness** relative to developers' abilities to construct stations in a timely and cost effective manner. The CEC made community readiness funding available through PON 14-603 (and subsequently PON 14-607) yet the hydrogen-specific portion of the solicitation was undersubscribed.

EIN suggests that the CEC incorporate a scoring system that would establish metrics to evaluate community preparedness, so that the higher scoring cities would stand out during the station application process and the lower scoring cities would have a defined path toward improvement. Organizations that work with local communities could then target those that the CEC and stakeholders have outlined as priorities to ensure that they are prepared for the next investment round and that the development process would be speedy and efficient.

As the process stands now, it seems that this concept is included in the scoring categories (e.g. Project Readiness) but specific focus on community readiness could really help the development timeline by accelerating sites that can be developed quickly, while similarly qualified sites that are in lesser-prepared communities can be given time to work through potential delays before applying for the next award. It seems this would help to open stations more quickly in the early, critical phase of the FCEV rollout while stations that are likely to be subject to community-level delays would likely still open around the same timeline but using later rounds of funding.

2) EIN advocates heavy emphasis on **Renewable Hydrogen** in future infrastructure solicitations. The incentive mechanism from previous solicitations has evolved from higher funding levels for stations that can provide 100% renewable hydrogen to subtle scoring incentives that would rank those applicants higher in specific categories but less of a direct financial incentive. While EIN recognizes that the CEC still acknowledges the importance of renewable hydrogen, we suggest that further research into the economics and incentive structure is necessary in order to assure that the FCEV community remains focused on the goal of making 100% renewable hydrogen available to all drivers.

Given the Governor's aggressive 2030 climate goals and the growing trend for cleaner transportation fuels, creating replicable models of renewable hydrogen will be critical to achieving a truly sustainable and scalable fuel supply.

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While we still advocate for increased direct financial incentives for 100% renewable hydrogen stations over the near-term, our organization recognizes that there is potential to incentivize stakeholders through other mechanisms such as increased O&M funding opportunities or through separate solicitations that can help stakeholders develop pilot projects that involve centralized production of 100% renewable hydrogen that can then be distributed to (less-expensive) stations.

EIN is eager to further address this issue and we welcome a dialogue with the CEC in order to determine what additional research and analysis would be beneficial relative to this topic.

3) EIN's observance of consumer experiences at existing hydrogen stations combined with stakeholder and end-user feedback has illustrated the need for **Increased Network Monitoring/Oversight**. The state is making a substantial investment into developing hydrogen refueling infrastructure yet quality control relative to the end-user experience seems to be fragmented and inconsistent.

The consumer experience will have a very large impact on the success of the FCEV market. While technology developers take responsibility for the vehicle user experience, there is no reliable mechanism to assure that the refueling experience is smooth and that there are consistent protocols to remedy service interruptions at stations. In the early stages of network development, delays in station maintenance & repairs and/or issues that impact consumers' ability to refuel can have a major impact on the success of the entire initiative.

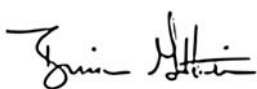
While EIN recognizes that direct CEC oversight of individual stations could be a complicated endeavor, we advocate that the CEC engage the stakeholder community in order to protect the state's investment and to illustrate potential solutions (e.g. separate O&M carve outs for a network oversight authority) that can help ensure a consistent and trouble-free consumer experience during this critical phase of the FCEV rollout.

This is a watershed moment for Fuel Cell Electric Vehicles (FCEVs). Years of painstaking work will culminate in the opening of many new California hydrogen stations just as auto manufacturers prepare to release the highest number of FCEVs yet.

As the only national nonprofit organization dedicated solely to advancing FCEVs and the hydrogen fueling infrastructure, EIN would like to express sincere appreciation to the CEC for its hard work, commitment and dedication to a clean transportation economy in California and we welcome the opportunity to assist in any way.

Thank you very much for the opportunity to participate in this process.

Sincerely,



Brian Goldstein
Executive Director
Energy Independence Now