



Hydrogen Means Business in California!

July 31, 2019

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Commissioner Cliff Rechtschaffen
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: CHBC Request to Open a Process Within R. 13-02-008 to Consider Issues Related to Injection of Hydrogen in the Pipeline System

Dear Commissioner Rechtschaffen:

The CHBC¹ thanks you for your leadership on the *Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions (R.13-02-008)*.

PLATINUM MEMBERS

Air Liquide
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Plug Power
Southern California Gas Company
Toyota

We, along with several other interested parties, have been urging the Commission for more than a year, through several rounds of comments to open a process within this proceeding to consider issues related to hydrogen injection into the common carrier system. We hope that you will now expedite this request.

GOLD MEMBERS

AC Transit
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South Coast AQMD
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As we have previously stated in comments over the course of this proceeding, D.14-01-034 called for the Commission to examine limits for hydrogen injection into the common carrier system by January 2019. The CHBC is one of many parties that has called for doing so by the end of this phase of the proceeding based on a comprehensive and current evidentiary review. There has been no opposition in comments served by parties to doing so.

Additionally, as previously shared in our comments, including hydrogen in this phase of the proceeding is aligned with numerous state and federal policies, such as:

STAFF

Jeffrey Serfass | Executive Director
Emanuel Wagner | Deputy Director

¹ The CHBC is comprised of over 100 companies and agencies involved in the business of hydrogen. Our mission is to advance the commercialization of hydrogen in the energy sector, including transportation, goods movement, and stationary power systems to reduce emissions and dependence on oil. The views expressed in these comments are those of the CHBC, and do not necessarily reflect the views of all of the individual CHBC member companies. CHBC Members are listed here:

<https://www.californiahydrogen.org/aboutus/chbc-members/>

- **AB 1900**, which this OIR was opened pursuant to AB 1900, and which among other provisions, requires “the PUC to adopt pipeline access rules that ensure that each gas corporation provides nondiscriminatory open access to its gas pipeline system to any party for the purposes of physically interconnecting with the gas pipeline system and effectuating the delivery of gas.” Hydrogen is a gas, but is currently not allowed to access the gas pipeline.
- **ZEV Transportation Related Laws and Policies** (e.g. Executive Order B-18-48, AB 8, SB 1505, Federal Clean Air Act), which require ensuring an optimized hydrogen supply chain to achieve zero emissions transportation.
- **SB 1383**, which calls for broad, multi-agency consideration of renewable gas, which includes renewable hydrogen per the author’s and California Energy Commission’s direction in its *2017 Integrated Energy Policy Report* discussion of the provision, to reduce short-lived climate pollutants.
- **Other greenhouse gas reduction mandates** (e.g. SB 350, SB 32, and Executive Order B-18-55), which are more likely to be achieved by enabling the capabilities of renewable and low carbon hydrogen to provide unusual, and possibly unique, decarbonization benefits, such as high volume, flexible seasonal storage and zero emissions solutions to difficult-to-electrify transportation applications.
- **SB 100**, which requires 100% of electricity sources in California to be renewable or zero carbon by 2045, and which will likely require hydrogen solutions in order to integrate high penetrations of variable generation and provide mass scale long duration and seasonal storage.
- **SB 1369**, which directs the CPUC to examine green electrolytic hydrogen as a storage source and for other potential beneficial uses.

Advancing hydrogen that is stored and delivered via pipeline infrastructure is also a key component of strategies across the world to achieve deep decarbonization, including in Europe, Australia and Asia.

The urgency to act now to accelerate hydrogen was recently recognized by the Executive Director of the International Energy Administration, Dr. Fatih Birol, who prefaced an extensive report prepared for the June 2019 G20 Summit by stating *“This is a critical year for hydrogen. It is enjoying unprecedented momentum around the world and could finally be set on a path to fulfill its longstanding potential as a clean energy solution. To seize this opportunity, governments and companies need to be taking ambitious and real-world actions now.”*²

Examining pipeline blending protocols and standards is a crucial next step in establishing regulatory frameworks that support scaling up renewable and low carbon hydrogen in California. By taking this step, the CPUC can help ensure not only successful implementation of state clean energy, clean air, and climate policies, but also California’s continued leadership on the global stage.

We look forward to continue working with you on this critical effort.

² Forward to *The Future of Hydrogen*, IEA, June 2019 <https://webstore.iea.org/download/summary/2803?fileName=English-Future-Hydrogen-ES.pdf>

Best regards,



Emanuel Wagner
Deputy Director

California Hydrogen Business Council

Cc:

Michael Picker, CPUC President
Martha Gusman-Aceves, CPUC Commissioner
Liane Randolph, CPUC Commissioner
Genevieve Shiroma, CPUC Commissioner
Sandy Goldberg, Advisor to Commissioner Rechtschaffen
Edward Randolph, Director CPUC Energy Division
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