

March 24, 2022

The Honorable Laura Friedman
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

The Honorable Vince Fong
Vice Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

RE: CHBC Opposes AB 2562 (Bennett) Unless Amended

Dear Assemblymember Friedman and Assemblymember Fong:

The California Hydrogen Business Council (CHBC)¹ writes in **opposition of AB 2562 (Bennett) unless amended.**

AB 2562 aims to bring parity among the zero-emission transportation technologies—battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)—and supporting infrastructure but fails to do so as written. The CHBC appreciates Assemblymember Bennett’s desire to include FCEVs and the supporting hydrogen fueling infrastructure equally in the administration of the Clean Transportation Program funds; however, **directing the California Energy Commission (CEC) to prioritize funding stations at ports, stations that serve medium and heavy-duty trucks, and stations that are located along freight corridors reduces the amount of hydrogen fueling stations available to light-duty vehicles and leads to missed decarbonization and air quality targets.**

AB 8 (Perea) established California’s 100-publicly available hydrogen station goal, followed by Governor Brown’s Executive Order B-48-18, which increased the goal to 200-publicly available stations by 2025. These stations are funded through the Clean Transportation Program, the Low Carbon Fuel Standard, and the Volkswagen Environmental Mitigation Trust, which hydrogen station developers rely on in planning their station deployment. If this bill were to pass as written, **light-duty station developers that have been in the permitting and planning process would be sidelined for funds they anticipated receiving to support California’s growing publicly available hydrogen fueling network.** It is only commercially viable for light-duty station developers to build stations if they receive funds from all three funding programs. Eliminating funds from the Clean Transportation Program for light-duty stations sends the wrong market signals to station developers and hydrogen fuel producers, slowing California’s

¹ The CHBC is comprised of over 135 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 help the state meet its decarbonization goals. **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/>

progress towards decarbonizing the transportation sector. Further, original equipment manufacturers (OEMs) that spend years planning and deploying their FCEV inventory will have less hydrogen stations available for their customers to fill and will likely not sell or lease the cars they have produced to help California meet its decarbonization and air quality goals.

Prioritizing funding for hydrogen fueling at ports, or for medium and heavy-duty, or on freight corridors does not increase public access for fueling because light-duty vehicles filling at these station locations is unsafe and impractical. Light duty vehicles fueling at these locations is unsafe because of the large number of heavier class vehicles traveling near them as they refuel and fueling with a heavy-duty nozzle at 35 Megapascals (MPa), as opposed to 70 MPa for light duty refueling, will result in a half-filled tank. Light duty vehicles receive a full fill within 5 minutes from a 70 MPa nozzle and will not receive the same fill from the heavy-duty 35 MPa nozzles.

Finally, medium and heavy-duty zero-emission fueling infrastructure has received its own funding allotment through the CEC and can meet the needs of the medium and heavy-duty hydrogen refueling network if distributed with parity among the BEV medium and heavy-duty funds. Due to the difference in light-duty and heavy-duty hydrogen fueling stations—the development site footprint, the hydrogen capacity and fill-rate, safety standards, and operational performance—the two stations should be funded from separate pots. Both the light-duty and heavy-duty stations have existing funding pots that can support the buildout of the network, so long as the funds are distributed with parity among the BEV and FCEV technologies and supporting infrastructure.

Therefore, the CHBC opposes AB 2562 unless the following amendments are made (amendments in green):

(d) (1) The commission shall rank applications for projects proposed for funding awards based on solicitation criteria developed in accordance with subdivision (c), and shall give additional preference to funding those projects with higher benefit-cost scores.

(2) If the commission awards funds for hydrogen-fueling station projects pursuant to the program, the commission shall provide preference to those hydrogen-fueling station projects that meet any of the following criteria relative to those hydrogen-fueling station projects that do not meet these criteria:

(A) The project is located ~~at~~ near a port and is publicly accessible.

(B) ~~The project is colocated at a fueling station serving medium- and heavy-duty trucks.~~

(C) ~~The project is located along a federally designated Trade Corridor of National and Regional Significance, on the state's portion of the National Highway Freight Network, as identified in the California Freight Mobility Plan, or along a corridor that has a high volume of freight movement, as determined by the California Transportation Commission.~~

It is critical California builds out the necessary hydrogen refueling network for both light and heavy-duty FCEVs because California's 25.5 million drivers need more than one option as they transition to zero-emission vehicles. FCEVs short refueling, long-haul capability, and, on average, 90 percent renewable



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fuel, allows Californians to choose a light-duty vehicle option that mimics their experience with traditional gas vehicles that meets the decarbonization and air quality goals for California.

The **CHBC respectfully requests your “nay” vote** unless the aforementioned amendments are made.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sara Fitzsimon', with a long horizontal line extending to the right.

Sara Fitzsimon, J.D.
Policy Director
California Hydrogen Business Council