

DOCKETED

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CHBC Comments on 22-TRAN-01

CHBC comments on 22-TRAN-01. Thank you for the consideration of our comments.

Additional submitted attachment is included below.



California Energy Commission
Docket No. 22-TRAN-01
715 P Street
Sacramento, CA 95814

August 4, 2022

RE: Pre-Solicitation Workshop, Zero and Near-Zero-Carbon Fuel Production and Supply Funding Concepts

I. INTRODUCTION

The California Hydrogen Business Council (CHBC)¹ appreciates the opportunity to respond to the Pre-Solicitation workshop on Zero and Near-Zero-Carbon Fuel Production and Supply Funding Concepts (“Workshop”). The CHBC is encouraged by the possibility of continued funding for hydrogen fuel production projects. The CHBC’s comments will respond to the following topics covered in the Workshop:

- **Which solicitation options presented for consideration are preferred and why?**
- **Should the solicitation be technology neutral and why?**

II. COMMENTS

- a. Which solicitation options presented for consideration are preferred and why?**
- i. The CHBC Supports Creating a New Stand-Alone Hydrogen Production
Solicitation

The CHBC recognizes the success of past stand-alone renewable hydrogen production solicitations like GFO-17-602 and GFO-20-609, where CHBC members passed and were chosen for the reward. Creating a new solicitation sends market signals to hydrogen producers to keep producing hydrogen that will benefit the transportation sector and drive down the costs of hydrogen for every end

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/>

use. Additionally, hydrogen specific solicitations allow hydrogen producers to meet the stated standards within the application that are directly related to hydrogen and not a competing technology that would water-down the impact of the application. With dedicated funding, hydrogen producers can continue to advance the technology of this zero-emission fuel, cleaning California's air quality and decreasing transportation's carbon emissions.

ii. The CHBC Supports Adding an Optional On-Site Renewable Hydrogen Production Component to LD/Multi-Duty Hydrogen Refueling Infrastructure
Solicitation

In addition to a new, stand-alone renewable hydrogen production solicitation, the CHBC strongly supports also including an option for on-site renewable hydrogen production component to a light duty and multi-duty hydrogen refueling station. To meet California's stated zero-emission vehicle, decarbonization, and air quality goals, all resources must be utilized. One resource that is already in development are on-site hydrogen production projects at hydrogen fueling stations. On-site hydrogen production cuts down on any possible distribution emissions from transport and it ensures a consistent flow of hydrogen to fuel cell electric vehicle (FCEV) drivers. Onsite hydrogen production can substantially increase station reliability and increase confidence in the hydrogen fueling network, leading to more Californians to transition their gas-powered vehicles with an FCEV. The CHBC recommends implementing both solicitation options: a new, stand-alone renewable hydrogen production project and an on-site renewable hydrogen production component.

b. Should the Solicitation be Technology Neutral?

Yes, the solicitations should be technology neutral as it relates to renewable hydrogen production. Hydrogen production technologies are improving every day towards lower carbon intensity scores. CHBC members produce low and below zero carbon intensity hydrogen from various technologies and feedstocks. Hydrogen can be made via electrolysis from California's growing solar and wind resources for use as a transportation fuel, however, pulling renewable energy from the grid to produce hydrogen is currently not economically feasible without a specific hydrogen production market access rate. Therefore,

requiring hydrogen production projects to use electrolysis will result in a limited amount of hydrogen production until the cost issue is resolved by a market rate for hydrogen production. Fortunately, CHBC members have been successful in producing renewable hydrogen from existing methane-producing sources like decaying biomass, agricultural waste, municipal solid waste, and nonrecyclable waste that would otherwise rot in landfills. The CHBC supports a technology neutral solicitation to encourage all hydrogen production technologies that are capable producing low and below zero-carbon fuels for the state's ever-growing transportation sector.

III. CONCLUSION

The CHBC respectfully requests consideration of our comments on the Workshop. Hydrogen is an essential decarbonization pathway and a resource that will go wasted if not invested in by both the public and private markets. There are transportation end uses successfully operating today on hydrogen that contribute to meeting California's climate targets. With proper planning and incorporation of hydrogen in our transportation sector, California can meet its decarbonization and air quality goals. Thank you for your time and consideration.

Respectfully Submitted,



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California Hydrogen Business Council