



April 23, 2025

Sen. Anna Caballero
1021 O Street, Suite 7620
Sacramento, CA 95814

Re: SB 57 (Padilla) – CHBC Oppose

Dear Sen. Caballero,

The California Hydrogen Business Council (CHBC) is a membership-based trade association comprised of 110 companies, agencies, and organizations involved in the business of hydrogen. The CHBC is the largest and longest-established advocate for the hydrogen and fuel cell industry in Sacramento. We write today to respectfully oppose SB 57 (Padilla).

SB 57 began as a bill focused on data centers. However, it was amended recently in a way that raises significant concern. By expanding the bill from data centers to “eligible customers” (that is, any distributed generation customer over 50 MW), this bill is now applies to a broad set of technologies, including hydrogen, carbon capture, direct air capture, biofuels, and manufacturing.

Most troubling in the bill is its language that the California Public Utilities Commission (CPUC) “may require” any system over 50 MW to have “minimum requirements for zero-carbon procurement.” This requirement is more far-reaching than SB 100, which sets zero-carbon goals for procurement but does not have them apply until 2045. It also would discourage investment in low-carbon solutions like hydrogen-powered fuel cells. The Biden Administration found low carbon-intensity hydrogen to be eligible for the hydrogen production tax credit (Section 45V) under the Inflation Reduction Act; under this bill, the CPUC could preemptively eliminate investment in the hydrogen sector. This would undermine growth and jobs in a technology and sector that the Air Resources Board has said is needed at scale to help California meet its greenhouse gas goals.

We ask that the Appropriations Committee vote against this bill when it is up for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim McRae' in a stylized, cursive script.

Tim McRae

Vice President for Public Affairs