California Hydrogen Business Council

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Rohimah Moly
Deputy Director of Energy and Climate
Governor's Office of Business and Economic Development
State of California
Sacramento, CA 95814

RE Comments on AB 585 December 16 Clean Energy Assessment Project Webinar

Dear Deputy Director Moly:

Please accept these comments from the California Hydrogen Business Council ("CHBC") in response to the Clean Energy Assessment Project Webinar on December 16, 2025. CHBC thanks GO-Biz for putting this webinar together; our comments will focus on the aspects of the presentation that pertain to hydrogen.

Hydrogen acts as a critical resource for firm, dispatchable power generation during extreme climate events when variable renewables and constrained transmission are most vulnerable. As climate-driven constraints intensify, hydrogen-fueled generation offers dispatchable, on-demand capacity that could stabilize the grid without relying on intermittent renewables. This role is particularly important for urban load centers such as the Los Angeles Basin area where local reliability is paramount. Integrating hydrogen into the power generation portfolio strengthens energy reliability and resiliency while aligning with California's long-term decarbonization goals. The Intermountain Power Project (IPP) in Utah demonstrates the viability of hydrogen as a firm, dispatchable resource at scale, as it is the world's first gas-fired power plant designed to operate on up to 100% hydrogen. The IPP project provides a real-world blueprint for how hydrogen-capable generation can support grid reliability during extreme conditions while enabling a clear pathway to full decarbonization over time.

The recent approval of the Scattergood Generating Station Modernization Project EIR by Los Angeles Department of Water and Power (LADWP) provides an important validation of hydrogen-ready power generation as a credible reliability solution for California. Realizing larger volumes of hydrogen's supply needs for power generation will require the development

of an open-access hydrogen pipeline infrastructure capable of delivering to support in-basin power generation demand. Projects such as SoCalGas' Angeles Link demonstrate the potential of backbone infrastructure to aggregate diverse clean hydrogen supplies and deliver them to strategic end uses, including power generation in southern California. AB 585 implementation should prioritize infrastructure connectivity as a key enabler for meeting and scaling hydrogen end-uses.

Leveraging California's existing natural gas infrastructure to enable hydrogen blending provides a near-term, scalable pathway to stimulate clean hydrogen demand while maintaining system reliability. Even modest hydrogen blending percentages across the statewide gas system translate into substantial aggregate demand for renewable hydrogen, helping to anchor early supply investments and accelerate infrastructure development learning curves.

Streamlining and harmonizing permitting for hydrogen infrastructure will be critical to meeting longer-term reliability needs and maximizing hydrogen's benefits as seasonal and long-duration storage. Coordination across state agencies around clear, predictable pathways for permitting hydrogen infrastructure will be critical for hydrogen infrastructure development at scale.

In response to specific aspects of the slide presentation at the workshop, CHBC shares the following:

We agree with the selection of hydrogen as one of the three selected technologies for the assessment. We also concur that the best way to promote adoption of clean technologies broadly is as it is framed on Slide 14, that California policy should: "Enable diverse portfolio of technologies by establishing market signals and enabling policies that recognize and reward critical performance attributes that meet evolving grid needs." **By adopting market signals focused on performance attributes rather than technology, California will impose downward pressure on prices, stimulate innovation and investments that are directed at needed performance attributes, and create a policy foundation for a smooth and successful transition.**

CHBC appreciates the context set on Slide 25 of the presentation and agrees with all three points made on the slide. **Hydrogen has high potential to abate hard-to-electrify industries, there are multiple ways to cost-effectively make hydrogen, and consistent treatment of low carbon-intensity hydrogen are all important points to make to frame how hydrogen can help the state meet its clean energy goals.**

CHBC would make slight revisions to several of the recommendations made on Slide 27. To begin, **CHBC recommends not emphasizing the importance of ARCHES as a facilitating organization**, as is referenced on Slide 27's second bullet. ARCHES, if it continues, would be helpful to the hydrogen ecosystem in California. However, at present, it is suspended and without funding, and there is no certainty that the litigation attempting to revive it will resolve favorably or in the near-term. CHBC membership, which includes the full breadth of the industry from production to offtake, represents a viable hydrogen market in California and there should not be a perception that the market is dependent on ARCHES's revival.

CHBC appreciates the inclusion of simplifying and expediting local, state, and permitting processes for hydrogen project development (Slide 27, fourth bullet). We would add that **streamlining efforts should align with the "commence construction" deadline of January 1, 2028**, which was shortened from the previous 2033 deadline, **to match the deadline for Section 45V Hydrogen Production Tax Credit compliance as laid out in the 2025 federal megabudget bill**.

CHBC also commends the inclusion of the need for a "hydrogen safety education campaign" in the fifth bullet on Slide 27. **We encourage GO-Biz to consider working with the Center for Hydrogen Safety (CHS)**, the experts in this field, **on such a campaign**. CHBC and CHS released a report on hydrogen safety in October 2025 titled "Hydrogen Safety Report: Hydrogen Safety Considerations for California".[1] This is the first such comprehensive report on hydrogen safety and could be used as a reference material for this campaign.

CHBC looks forward to continuing to work with GO-Biz to develop a viable hydrogen market in California to help the state meet its environmental, energy and economic goals in the near term.

Best regards,

Tim McRae
Vice President for Public Affairs

[1] CHBC and CHS Release Inaugural Hydrogen Safety Report