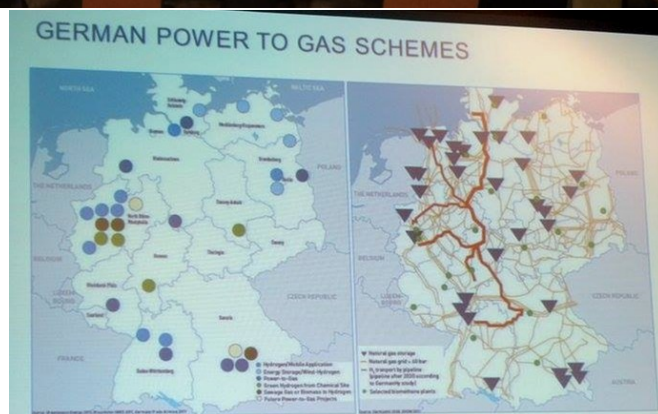




CALIFORNIA HYDROGEN BUSINESS COUNCIL

2015 CHBC PROGRAM PLAN & BUDGET



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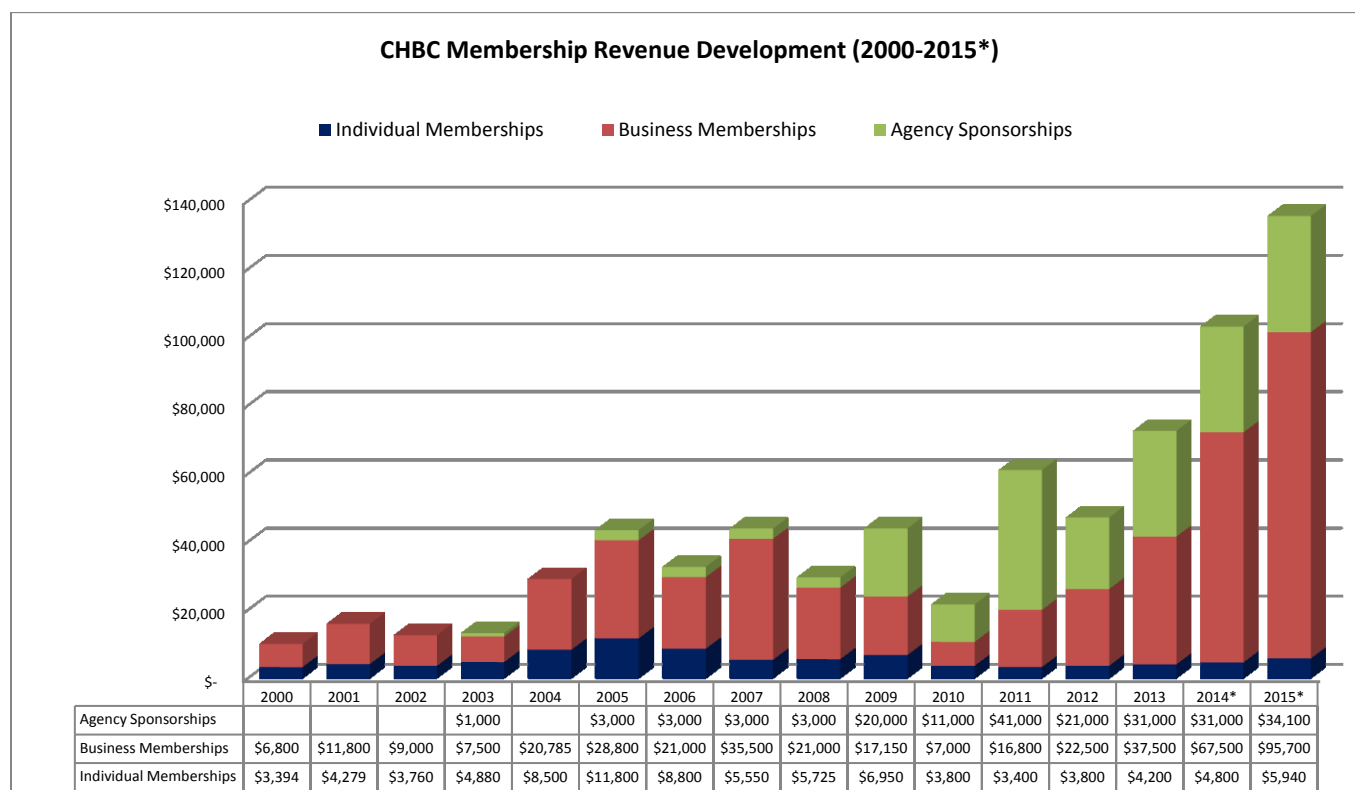
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January 14, 2015

STRATEGIC OVERVIEW/COMPLETION OF TRANSITION

In 2014 the CHBC has become an organization that represents a real business network with a robust industry membership, signature industry activities and impactful events. The transformation of the CHBC that began in 2010 has been successfully achieved and completed in 2014. The chart below displays a significant increase in revenue since 2010, the growth in business membership revenue and the important role of agency sponsorships.



In the final year of the restructuring efforts, the Board of Directors, members, and staff of the CHBC made significant progress to complete rebuilding the organization. The CHBC reached several important milestones, by increasing membership, developing its first program module and focusing on growing the signature meetings. The CHBC put great emphasis on increasing its business membership (red) in anticipation of potential funding reductions by public agencies.

VISION FOR 2015

The 2015 Program Plan continues to focus on the CHBC's uniqueness and strengths by convening both broad and focused events, bringing together business and policy leaders to expand the role of hydrogen and fuel cells in California's energy and environmental future. CHBC, with staff and member support will increase its engagement with California agencies and related organizations, collaborating with them and also with DOE and their national laboratories to build on the considerable expertise that lies throughout the CHBC's hydrogen and energy space. With the CHBC's strengthening membership, the plan moves away from "pass the hat" market modules to a set of focused market building program activities funded by membership dues and event revenue streams.

Each program area contains a realistic set of program goals and activities. A budget is proposed to support these activities and a revenue plan is presented to support the budget. Revenue is derived from dues and a strategy for increasing dues, and event revenue from sponsorship and registration. Each of the program areas can benefit from external funding by state and regional agencies but the plan does not depend upon it.

The proposed Biogas to Hydrogen module activities are now included in the Transportation Program.

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PROGRAM AREAS

TRANSPORTATION

The goals of CHBC's Transportation Program are listed below. We are careful in each instance to avoid duplication of OEM, California Fuel Cell Partnership and agency activities, and to coordinate and collaborate with the OEMs, Partnership and other stakeholders where the CHBC's presence can improve the likelihood for success:

1. Utilize a CHBC member Transportation Sector Action Group (SAG) to advise staff on Transportation Program goals and activities
2. Support the continued build out of the 100 station hydrogen infrastructure with state cost-shared funding
3. Assist in developing pathways and models for private funding of hydrogen stations beyond the 100 stations planned with state funding
4. Develop market-supported pathways to renewable hydrogen production and assist in development of renewable hydrogen projects

TRANSPORTATION ACTIVITIES

Activity	Dues based	Sponsorship and Registration Fees	Board directed activities
a) In coordination with the OEMs and other stakeholders, advocate for continued state funding of hydrogen fueling infrastructure, with, testimony, letters and relationship building. Potential personal visits with government leaders, with messages and strategy coordinated with OEMs and other stakeholders	\$2,500		\$5,000
b) Hold one or more VIP lunches with state legislators.	Incl. in VIP Budget		
c) At the invitation of CHBC members with station siting difficulties, and in coordination with Go-Biz actions, provide the CHBC industry voice and convening power to help get beyond siting hurdles	2,000		
d) Explore development of a public transit component of the CHBC Transportation Program, including the expansion of federal support for CHBC member transit interests	\$1,000		
e) Participate in ARB's workshops to represent industry interests and to help members plan for heavy drayage truck and other funding opportunities, including the possibility of a coordinated CHBC proposal to facilitate creation of projects.	5,000		
f) In collaboration with UC Davis and DOE/NREL, create a workshop on private funding models for infrastructure funding – "How can the 101 st station be financed", without government funding -- expecting to identify pathways, hurdles, interest among invited participants. Invite the financial community, angel investors, station developers, OEMS, industrial gas companies, component suppliers, government agencies. Consider utilizing the work of CHBC members, like EIN and 122 Longitude West, for analytical support.		\$10,000	
g) Confirm eligibility of the hydrogen from biogas pathways for FCEVs for RIN credits with EPA through work with a project that can apply for the credits	\$2,000		
h) Assess the value of utilizing some of the early, underutilized CNG fueling stations to have H2 infrastructure added, presumably at a much lower cost than a "greenfield" station. These additional sites could provide regional station backup, be used as connector	\$2,500		

stations, etc. Work with members to assess co-locating fueling outside the fence H2 fueling where inside the fence fueling was to be installed. This could occur at site where infrastructure for goods movement use, such as for forklifts, were to be installed.			
i) Assess interest among members and agencies in CHBC hosting a dedicated biogas to hydrogen workshop to bring experts together to consider the economics and the market opportunities, and identify important projects whose development have the potential to “move the needle” for renewable hydrogen. Collaborate with Sandia, NREL to avoid duplication and build on their existing analysis If such a workshop is held, identify CHBC activities that can support the outcomes, possibly to include a biogas to hydrogen fact sheet and assistance in project development.		\$10,000	
j) Hold a VIP Luncheon with CEC Commissioner David Hochschild to help the CHBC expand the role of biogas and other renewables in hydrogen production.	Incl. in VIP Budget		
	\$15,000	\$20,000	\$5,000
Overall Total	\$40,000		

CLEAN PORTS

The goal of the CHBC’s Clean Ports program is to expand the role of hydrogen and fuel cell business solutions for making the ports of California models of high energy efficiency and low environmental impact goods movement centers. The Clean Ports Program can naturally embrace goods movement and other market sectors, including microgrids and distributed generation, backup power, and truck refrigeration. The activities listed below allow the CHBC to begin significant engagement to create opportunities for members and to begin to address stakeholder goals for clean ports.

CLEAN PORTS ACTIVITIES

Activity	Dues based	Sponsorship and Registration	Board directed activities
a) Create a Clean Ports CHBC Member Sector Action Group to advise staff efforts in the Clean Ports Program	\$2,500		
b) Advocacy for funding of clean ports initiatives with other stakeholders, and for project funding to implement hydrogen and fuel cell clean ports solutions.	\$1,000		
c) Assess interest among CHBC members, and evaluate other stakeholder interest, in a CHBC hosted or partnered Clean Ports symposium to identify driving forces, economic solutions, and project opportunities.	\$1,000		
d) Host a ports event if deemed important by the stakeholders		\$10,000	
e) Develop a CHBC Fact Sheet on hydrogen and fuel cells in clean ports			\$1,500
f) Hold one or more VIP Luncheons with a port executive, legislator, military leader, or others.	Incl. in VIP		

	Budget		
g) Explore with CHBC membership the interest in creating a major hydrogen and fuel cell presence at Fleet Week San Francisco in 2015(dates to be determined).			\$500
	\$4,500	\$10,000	\$2,000
Total	\$16,500		

HYDROGEN ENERGY STORAGE

The goal of the Hydrogen Energy Storage Program is to continue to expand CHBC leadership in California and the U.S. for power to gas and all hydrogen energy storage solutions to management of increasing penetrations of renewable resources, encouraging even greater renewable energy development.

HES ACTIVITIES

Activity	Dues based	Sponsorship and Registration	Board directed activities
a) Continue development of the HES Committee to represent all CHBC interests in energy storage and power to gas, holding monthly meetings, and advising staff efforts in the HES Program	\$4,500		
b) Create the economic understanding for the roles that HES can play, with details that allow this technology solution to play at the industry energy storage table. This will be done through completion of the HES White Paper and using it to create a CHBC Fact Sheet on HES. Organize presentation of the results to DOE's Hydrogen Technology Advisory Council.	\$1,500		
c) Advocate the facts and economic opportunities before the PUC, Cal ISO, ARB and CEC.	\$2,500		
d) Convene a national invitation-only workshop in California with other stakeholders to develop projects to meet DOE, CEC, PUC and other stakeholder needs.		\$10,000	
e) Hold at least one VIP Luncheon for this program area.	incl. in VIP Budget		
	\$8,500	\$10,000	\$0
Total	\$18,500		

BUSINESS EXPANSION IN CALIFORNIA

The goals of the Business Expansion in California Program are to:

1. Measure the economic and jobs impact of hydrogen and fuel cell business activities in California.
2. Help CHBC members expand their business in California through reduced barriers and enhanced incentives and agency resources
3. Assist members in development of specific projects where the voice and actions of the CHBC's broad industry group could make a difference
4. Assist state agencies in tapping private industry interest and resources to achieve their objectives
5. Attract new supply chain industry players to support expanding hydrogen and fuel cell markets

BUSINESS EXPANSION ACTIVITIES

Activity	Dues based	Sponsorship and Registration	Board directed activities
a) Use the CHBC Membership Committee to guide staff efforts in this program area.	\$1,000		
b) Expand the Industry Data Report created with CHBC member information to include all existing hydrogen and fuel cell products, service providers and component suppliers doing business in California, to measure the economic and jobs impact of our sector, and to create a database to expand CHBC membership. Expansion will require agency resources to supplement CHBC resources.	\$1,000		
c) Undertake activities to expand the supply chain of businesses in California to serve the growing automotive, fueling, energy storage, goods movement, power generation and other product markets. Activities will likely include convening a series of briefings addressing business needs in the supply chain. Three events will be planned for different supply chain sectors, covering the state of the individual market segment, government policy and funding support, business needs and allow for direct discussions via “speed dating” rounds of attendees.		\$21,000	
d) Conduct a special briefing of Silicon Valley companies, partnered with one or more Silicon Valley development organizations, to attract investors, buyers, and influence leaders, to recognize the importance of our business sector in their expanding worlds.		\$10,000	
e) In response to member requests, help members implement their project development interests by announcing the opportunity and convening stakeholders to explore the opportunity, and to develop an action plan. The budget anticipates engaging in up to three projects. Issues like confidentiality vs. public information, and appropriate allocation of CHBC resources, will be carefully considered by staff and the Executive Committee.			\$2,500
	\$2,000	\$31,000	\$2,500
Total	\$35,500		

EDUCATION AND OUTREACH

The goal of the Education and Outreach Program are to expand CHBC outreach to businesses, government leaders and consumers to increase the awareness and understanding of the energy, economic and environmental impact of hydrogen and fuel cell products in California markets.

EDUCATION AND OUTREACH ACTIVITIES

Activity	Dues based	Sponsorship and Registration	Board directed activities
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a) Expand the Education and Outreach Committee to oversee and plan work in this program area.	\$2,000		
b) Plan and execute the CHBC Hydrogen and Fuel Cell Summit, September 30 – October 1 in Sacramento. Consider side events with collaborating organizations to increase the impact.		\$35,000 labor +\$19,000 expenses	
c) Plan and execute the CHBC Spring Summit to be held in conjunction with a related national meeting being held in California (like ACT 2014 this last year), or a planned meeting of a California organization, like CESA.		\$12,000 labor +\$8,000 expenses	
d) Publicize milestones of CHBC members, no matter where they occur. For California milestone events (e.g. station opening, new customer installation), send one or more CHBC representatives.			\$3,000
e) Plan and conduct two Technology Tours of CHBC member products or installations.	\$2,000		
f) Continue outreach efforts designed for CHBC members and to non-CHBC members, including newsletters, all hands calls for members, website updating, and handling incoming calls from the press and from interested business and government stakeholders	\$5,000		
g) Website maintenance and expansion	\$3,000		
h) Identify with members and stakeholders activities that CHBC might undertake to educate AHJs and municipalities to ease the siting of hydrogen fueling infrastructure.			\$1,000
i) Explore with CaFCP having a major hydrogen and fuel cell presence at the Super Bowl in Phoenix, AZ, on February 1, 2015			\$500
	\$12,000	\$74,000	\$4,500
Total		\$90,500	

In addition, **\$2,500** for communication expenses are allocated to this program area.

SUMMARY OF 2015 EVENTS WITH CHBC AS CONVENER

1 Transportation Symposium	1 HES Workshop
1 RINs/Biogas event	1 Spring Summit
3 Supply Chain Workshops	1 CaHFC Summit
1 Silicon Valley Event	4 VIP Luncheons
1 Ports Event	2 Technology Tours

With education and convening events two of the CHBC strengths, this plan adds 8 CHBC-convened events in 2015 over 2014 activities. All events will be designed to be revenue neutral, including labor, or generating a net surplus for the CHBC, except for the Summits which take considerable labor and benefit the entire membership, thus warranting the application of membership dues resources.

MEMBERSHIP DEVELOPMENT AND SERVICES

Under the direction of the Executive Committee, the CHBC will continue to creatively promote CHBC membership to an expanding business base in California. A new focus on international companies wanting to do business in California will be added; and a new focus will be added on companies who may not be positioning to do business in California, but want access to the leading industry and government activities taking place in our market because it affects their business. Care will be taken to ensure that each membership market sector is supported by the CHBC as their interest warrants and grows. Staff will participate in the Canadian Hydrogen and Fuel Cell Association's biennial meeting in 2015, and will look to participate in important California events like the Fuel Cell Seminar. **The budget allocated to this area is \$15,000.**

MANAGEMENT

The management of the CHBC will continue to be with a combination of staff resources, overseen by individual committees and market Sector Action Groups, and the Board of Directors and its Executive Committee. Staff will continue to look for increased efficiencies in all management activities to maximize the use of member dues for program activities. The Treasurer and President oversee the financial activities of staff and the Treasurer presents the financial reports to the Board. **The budget allocated to management amounts to \$20,000, \$2,500 for financial management, plus \$4,550 in Administrated Expenses, and \$1,435 for Accounting Services and \$500 for Board meeting expenses.** The Board may wish to consider a financial audit which is not currently included.

Close collaboration with the California Fuel Cell Partnership, as both the CHBC and the Partnership evolve, will be key to avoiding duplication of activities, but also to collaborating where the organizations can strengthen each other's plans. Other state collaborations are also key, including the California Stationary Fuel Cell Collaborative, the programs at UC Irvine and UC Davis, and the Coalition for Clean Air.

Staff will meet regularly with the following state organizations, for updating each other on coming activities and priorities, progress on current goals, and identification of additional collaboration desired:

- ARB – Catherine Dunwoody, Alberto Ayala
- BAAQMD – Jack Broadbent, Damian Breen
- CEC – Janea Scott, David Hochschild, Jim McKinney, Jean Baronas
- CaFCP – Bill Elrick, and Board Chair
- CPUC – Carla Peterman
- CSFCC – Scott Samuelsen
- POLB – Jon Slangerup, Rick Cameron
- SCAQMD – Matt Miyasato

TTC has identified individuals that could potentially serve as part time CHBC staff in the L.A. and Bay Area. TTC would like to identify an individual to assist in representing CHBC and member interests in Sacramento. Conversations will be held to explore sharing an office with a member or relevant non-profit organization. TTC has an informal agreement for office sharing in the Bay Area. The overall budget will determine whether TTC can move in any of these directions and the skill set required will determine which of the individuals might be employed for the benefit of the CHBC.

Staff has met recently with the leadership of the Connecticut, Massachusetts, Ohio and South Carolina hydrogen/fuel cell associations to share best practices and to explore, with the California Fuel Cell Partnership, having a meeting of the state association leaders to explore common program barriers and challenges that might warrant collaborative input to national program leadership.

2015 EXPENSE BUDGET

The budget to support 2015 program activities, including all event expenses, totals \$247,985. Of that, \$88,485 are allocated to dues based activities, \$74,000 are allocated to the two CHBC Summits, \$14,000 to Board directed activities and \$71,000 are budgeted for the proposed optional program events, workshops and briefings raised by sponsorship and registration. A detailed budget is presented in the attached spreadsheet “CHBC Budget for 2015”.

2015 REVENUE GENERATION

Revenue is generated by dues, sponsorships, event registrations and, potentially, external agency funding. Dues in 2014 is projected to total \$103,000, supplemented with \$10,000 from members for HES module funding for a total of \$113,000 of direct membership program support. The proposed budget for 2015 requires nearly \$137,500 in dues and 142,500 in core and optional events revenue.

Platinum Membership is becoming the new norm for companies that want significant work from the CHBC. Gold Membership is becoming more popular with other industry members, and Silver continues as the level of choice for new companies or organizations with a smaller footprint in California. In this context, the strategy and plan for raising direct membership support from dues is the following:

1. Develop a new Membership Level – Platinum Plus – for Platinum members at \$10,000 or above. This is not expected to yield additional revenue in 2015 but it would acknowledge the additional funding of the Air Districts and would set the stage for the potential of increased high tier membership dues in following years. The Board may wish to consider whether additional member benefits would be provided to Platinum Plus members. Platinum Plus Members would receive benefits the current Platinum members receive, and in addition, receive:
 - a. Enhanced recognition on websites
 - b. Ability to advertise in CHBC communications
 - c. First access to registration passes for events CHBC is a supporting organization
 - d. Ability to feature a speaker at CHBC Summits
 - e. Receive access to CHBC event registration lists
 - f. Host focused CHBC meetings and issue discussions with members
2. Increase all member dues by 10%. After several years of no increases, with the significantly increased current and planned impact of CHBC activities, this should not be a difficult increase for members to accept and absorb, and some members won't see this in an invoice until later in 2015. Expected yield in 2015 is an additional \$10,000. The Board may want to have one-on-one conversations with the two air districts to explore their willingness to pay 10% more before invoices are sent to them, while it also seeks support from the air districts of the San Joaquin Valley and Sacramento Metro Area.
3. Grow the membership, achieving 20% in new member revenue. In previous years, membership has grown by 30 to 40% so this should be achievable. Staff is beginning to see new market sectors looking at the CHBC including public transit, foreign companies planning to expand into California and other companies wanting the market and government policy intelligence that comes from CHBC newsletters and Summits. Expected yield in 2015 is an additional \$10,000. Staff also sees a new marketing pitch: “If you are currently doing business in California, or are considering doing business in California, use the CHBC to gain market intelligence and make connections with other companies and with state agencies. If you are not planning to do business in California, the CHBC is still the best organization to use for gathering market and government policy intelligence in the 8th

largest economy in the world, one that is driving hydrogen and fuel cell activities that will affect companies around the world.”

4. The Board should consider a requirement that companies must have Gold or Platinum membership to participate in market committees or Sector Action Groups. With this increased value to Gold and Platinum members, expect upgrades within the existing membership that would yield an additional 10% or \$10,000 in revenue in 2015. The downside of this action might be that smaller companies who are Silver members would not be able to contribute directly to our program activities, even though they may have experience and capability to share and may be considered to be the future of our industry. The Board may wish to consider other actions and incentives to encourage upgrades of these members.

With the strategy above, the total expected 2014 dues revenues will yield \$135,000. CHBC leadership will work hard to have the CEC join the CHBC at the Platinum Plus level.

Dues provide support to program activities, not including program events, e.g. programmatic workshops. Dues also support VIP Luncheons and Technology Tours, but other events are budgeted to be revenue neutral. The Summits are budgeted to be near revenue neutral, using ambitious revenue goals, e.g. Fall Summit sponsorship budget is \$30,000, compared to 2014 actuals of \$20,500. Similarly, budgeted Spring Summit sponsorship is \$12,500, compared to \$5,000 actual in 2014. The CHBC will utilize registration fees, with member discounts, for program workshops, symposia, etc.

Summit and event revenue is budgeted to pay for event labor and expenses in 2015, but since the event plan is significantly greater than 2014, membership dues will be allocated to make sure staff has adequate resources to mount the two high value Summits, in case revenue for all events falls short of budget plans.

2015 NET

This budget plans for the CHBC to achieve a \$24,500 budget surplus. If successful, the surplus would build CHBC resources for future years, to allow the organization to have a buffer for harder times or to expand its program. Since the plan is ambitious, it also serves as a contingency in case financial goals for one or another activity are not met.