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Comments to the February 25, 2015 CEC Business Meeting on the 2014 Integrated Energy Policy Report By the California Hydrogen Business Council

Submitted Verbally by CHBC Managing Director, Jeff Serfass

I would like to commend Commissioner Scott and all of the Commissioners for their hard work on this report, and we recommend adoption of it.

On behalf of the hydrogen and fuel cell businesses providing products and projects in California, I want to complement the Commission for its vision in including hydrogen prominently in the State's plans for transportation. As noted in the report, the hydrogen fuel cell electric vehicles entering the market place this year and the next several years "will play a key role in fulfilling California's climate, clean air and petroleum reduction goals."

Meeting energy goals often requires cross sector efforts and hydrogen is one of those energy commodities that can integrate transportation efforts with those designed to manage the increasing penetration of wind and solar energy on our utility grids, and assist with the greening of the natural gas system. We urge that the State move quickly to establish market rules for multi-function systems, like those that utilize electrolyzers for hydrogen fuel production as well as hydrogen production for energy storage, dispatchable load and voltage support resources. We are pleased that the IEPR, in the Hydrogen section of Chapter 5, recognizes this potential and we are also pleased that Chapter 6 recommendations for the Transportation/Electricity Nexus address this potential as well. We also appreciate the recognition for the potential for biogas to support green hydrogen goals, and the intersection of the waste water treatment and agricultural sectors in addressing transportation and hydrogen fuel production goals.

Our Business Council is also planning to address the issues of private financing of fueling stations by conducting a workshop in 2015 on "Financing the 101st Station" and we look forward to working with the Commission on this important topic recognized in the IEPR.

In summary, often transportation energy use and electric grid management are considered in technological silos. The benefits of power to gas and hydrogen energy storage solutions warrant coordinated consideration of electric rate regulation, research in transportation systems and application of energy storage solutions.

Thank you.