Hydrogen Means Business in California!

BOARD OF DIRECTORS

Officers

Lauren Skiver | SunLine Transit | Chair Steve Szymanski | Nel Hydrogen | Vice Chair Tanya Peacock | SoCalGas | Secretary Andreas Truckenbrodt | Loop Energy | Treasurer Jeff Reed | UC Irvine | Immediate Past Chair

Directors at Large

Mark Abramowitz | Community Environmental Services

Gus Block | Nuvera Fuel Cells Jack Brouwer | UC Irvine Gerry Conway | Plug Power Gordon Dash | DashH2Energy

Sean Ebnet | Orsted

Matthew Fairlie | Next Hydrogen Corp

Katrina Fritz | California Stationary Fuel Cell Collaborative

Phillipe Gerretsen | Nikola Motor Company Brian Goldstein | Energy Independence Now

Elias Greenbaum | GTA, Inc

Austin Hastings | Pacific Gas & Electric Company Jaimie Levin | Center for Transportation and the

Environment

Kim Okafor | Trillium – A Love's Company

Jim Petrecky | PDC Machines

Nicolas Pocard | Ballard Power Systems

Jason Rowell | Black & Veatch

Peter Sawicki | Mitsubishi Power Americas

Jeff Seger | Cummins, Inc.

PLATINUM MEMBERS

Bay Area AQMD

Baker Botts

Ballard Power Systems

Cummins

Mitsubishi Power Americas

Orsted

Pacific Gas & Electric

Plug Power

San Diego Gas & Electric

Southern California Gas Company

GOLD MEMBERS

AC Transit

Bloom Energy

Chart Industries

Dominion Energy

IRD Fuel Cells

Linde Group

Nel Hydrogen

Nikola Motor

Parsons Corporation

Sumitomo Corporation

Sumitomo Electric

Toyota

US Gain

February 11, 2021

The Honorable Freddie Rodriguez Member, California State Assembly State Capitol, Room 2188 Sacramento, CA 95814

RE: AB XX (Rodriguez) - SUPPORT

Dear Assembly Member Rodriguez:

The California Hydrogen Business Council (CHBC)ⁱ writes to express support for your legislation, AB XX (Rodriguez), which sets a 100% green and zero-carbon hydrogen transportation fuel standard and enables greater zero emission light and heavy-duty vehicle adoption by providing a 10-year investment tax credit for renewable hydrogen production, distribution and refueling stations.

By incentivizing hydrogen fuel production and the build out of an additional 1,000 hydrogen refueling stations (HRS) through this tax credit, an estimated \$11 billion in private sector investment will be unleashed, which will create significant strides toward the self-sustainability of hydrogen and fuel cell electric vehicles (FCEVs) in California's transportation market. According to the Hydrogen Station Network Self-Sufficiency Analysis conducted by the California Air Resources Boardⁱⁱ, HRS network self-sufficiency is achievable within the decade with additional state support beyond AB 8. This bill fulfills that requirement to help bring HRS to scale at a low societal cost. Further, investments in this market will generate significant sales and use taxes for state and local jurisdictions and create good paying jobs for Californians in a growing market segment.

FCEVs are a critical component in achieving the state's air quality and greenhouse gas (GHG) emission reduction goals. FCEVs rely on a refueling infrastructure which provides the convenience of fast refueling, make good use of the same neighborhood locations drivers use today including those living in multi-family dwellings, with no access to garage parking, and with lengthy commutes, many of whom may find it difficult or inconvenient to charge a battery electric vehicle.

According to the Air Resources Board, Energy Commission and the South Coast Air Quality Management District, 1,000 strategically located HRS will provide ZEV refueling access to 94% of the geographic state and 97% of the state's disadvantaged communities. Strategically located, this statewide FCEV refueling coverage will catalyze investments that support a shift away from the use of diesel fuel along our freight corridors. This 1,000 HRS buildout will displace an estimated 693 million gallons of gasoline, avoid almost three million metric tons of GHG emissions, and 3,900 metric tons of NOx emissions annually.

The CHBC further encourages the author to consider amendments, which specifically address the FCEV needs of the off-road sector. For example, there are many cases where on-road and off-road FCEVs may utilize the same refueling center, or where off-road FCEVs require HRS infrastructure that results in significant improvements to local air quality. Additionally, off-road opportunities exist for marine, rail and aviation FCEVs, all of which require HRS infrastructure. The CHBC believes the off-road market segment is ripe for FCEV technology and would like to ensure off-road HRS opportunities are considered in the bill.

The CHBC is proud to support this bill, which ensures that California meets and exceeds its climate goals by providing reasonable and targeted support in the form of tax credits for hydrogen fuel production and dispensing. We further encourage the author to consider amendments that expressly support the off-road transportation market segment as well.

Sincerely,

William Zobel

Executive Director

California Hydrogen Business Council

ⁱ The CHBC is comprised of over 120 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 dependence on oil. 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/

[&]quot;Hydrogen Station Network Self-Sufficiency Analysis per Assembly Bill 8 (ca.gov)