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California Energy Commission Dockets Office, MS-4
Re: Docket No. 17-IEPR-01
1516 Ninth Street
Sacramento, CA 95814

Re: Comments of California Hydrogen Business Council Regarding the 2017 Integrated Energy Policy Report (IEPR) & Scope Issues

The California Hydrogen Business Council (CHBC) is gravely concerned about the California Energy Commission’s Draft Scoping Order (DSO) for the 2017 IEPR. As a party consulted in the development of Senator Lara’s Bill SB 1383, the CHBC hereby takes the opportunity to provide clarifying comments on the CEC’s incorrect interpretation of the intent of aforementioned bill in its 2017 IEPR DSO recommendation development.

The CHBC is an industry trade association with a mission to advance the commercialization of hydrogen in transportation and stationary sources to reduce greenhouse gas, criteria pollutant emissions and dependence on oil.¹

Last week, it has come to the attention of the CHBC that in Section 4 of the CEC’s DSO, which deals with SB 1383’s implementation, the CEC mistakenly narrowed the scope of the original intent of the bill, excluding a broader renewable gas analysis, but rather exclusively focus on renewable **natural** gas. While for the layperson that change may not seem consequential, the CHBC and its members worked hard with the legislature last year to specifically use the broad definition of renewable gas, which includes, but is not limited to, renewable natural gas.

To clarify: A bill that the CHBC opposed last year, SB 1043 (Allen), did not move out of committee because of the narrow definition and letters of the CHBC and its members opposing this narrow definition (See CHBC Letters from May 10, 2016 and May 18, 2016, respectively Attachment A and B).

The CHBC and its members supported Senator Lara’s Bill, 1383, which was purposefully designed to include a broader definition than the one used in SB 1043, which our Letter of Support from August 29, 2016 clearly reflects (Attachment C).

The CHBC hereby strongly suggests the CEC correct the error made in the DSO by using the actual language from SB 1383, which at no point mentions natural gas, but only “renewable gas, including biomethane and biogas”.



While biomethane and biogas are specifically named, renewable gas is an umbrella term, and is not limited to an organic pathway, but includes other forms of renewable gas production, including electrolysis of renewable electricity. We submit Attachment D with the relevant passages of SB 1383 highlighted.

Since the CHBC is aware that these technology options are not widely known, the CHBC and select members would also be very open to educate CEC staff on renewable gas production via electrolysis.ⁱⁱ This option is a very powerful and promising multi-sector, multi-use technology approach, allowing addressing electricity, transportation and thermal energy needs in line with California's ambitious GHG reduction and carbon reduction and cleaning air goals. Revolutionary projects like UC Irvine's Power-to-Gas project with Southern California Gas Company and several dozen commercial and demonstration projects in Europe, specifically Germany, highlight the viability of this technology approach (See CHBC's White Paper on Power-to-Gas White Paper and German Study on Power-to-Gas from 2015 - Attachment E and F, respectively).

A member of the CHBC, Southern California Gas Company, also commented on this Scope and review of Section 4, requesting an inclusion of technologies in addition to biogas, specifically electrolysis. The CHBC emphatically supports their request.

Finally, SB 1383 requires a consideration of cost-effective strategies consistent with California's Climate Change Goals and policies. The CEC in its review would limit itself if it takes a narrow focus approach to only analyzing biogas and renewable methane. With a limited scope and approach on the technologies under review, the CEC cannot truthfully determine which strategies are cost-effective to meet the State's policies and goals, potentially leading to higher costs for consumers, lower emissions reduction strategies, and inadvertently hinder the market development of a very promising zero-emission technology option.

In conclusion, the CHBC for the points discussed above, the CHBC respectfully urges the CEC to correct the DSO Section 4 and develop recommendations for "renewable Gas" consistent with SB 1383 in the 2917 IEPR, to include other gases beyond renewable methane and biogas, including hydrogen, as intended by the legislature.

Thank you for your consideration!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Emanuel Wagner', is written over a blue horizontal line.

Emanuel Wagner
Assistant Director
California Hydrogen Business Council

Cc: Senator Ricardo Lara
Kevin DeLeon, Senate President Pro Tempore
Governor's Office
Kevin Barker, Heather Raitt, Rob Oglesby, Robert Weisenmiller, CEC



CALIFORNIA HYDROGEN BUSINESS COUNCIL

ⁱ 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. Organizational members of the CHBC include AC Transit, ACE Cogeneration Company, Air Liquide Advanced Technologies U.S. LLC., American Honda Motor Co., Inc., Ballard Power Systems, Bay Area Air Quality Management District, Bethlehem Hydrogen, BMW North America, California Air Resources Board, California Fuel Cell Partnership, CALSTART, Cambridge LCF Group, Center for Transportation and the Environment (CTE), Clean Energy Fuels, Coalition for Clean Air, Community Environmental Services, E4 Strategic Solutions, El Dorado National – California, Electro Power Systems, Energy Independence Now, FuelCell Energy, General Motors, Giner, Gladstein, Neandross & Associates (GNA), Golden State EPC, GTA ,GTM Technologies Inc., H2 Logic, H2Safe, LLC, Hydrogen in Motion, Hydrogenics Corporation, Hydrogenious Technologies, HySa Systems, Hyundai Amercia Technical Center, Idaho National Laboratory, Intelligent Energy, IRD Fuel Cells LLC, ITM Power, Ivys Inc., Johnson Matthey Fuel Cells, Keyes, Fox & Wiedman LLP, Linde Group, Longitude 122 West, Inc., Loop Energy, McPhy North America, National Renewable Energy Laboratory (NREL), New Flyer of America, Inc., Next Hydrogen Corporation, Nuvera Fuel Cells, Pacific Gas & Electric, Paramount Energy West LLC, PDC Machines, Pacific Gas & Electric, Plug Power, Inc., Port of Long Beach, PowerHouse Energy Americas, Powertech Labs, Inc., Proton Onsite, Rio Hondo College, Rose Communications, Sacramento Municipal Utility District, SAFCell Inc, Schatz Energy Research Center - Humboldt State, Solar Hydrogen, South Coast Air Quality Management District, Southern California Gas Company, SunLine Transit, Swagelok Los Angeles, Terrella Energy Systems, Total Transportation Services, Inc. (TTSI), Toyota Motor Sales, USA, Inc., UC Irvine – Advanced Power and Energy Program, United Hydrogen Group LLC, US Hybrid, Zero Carbon Energy Solutions, Ztek Corporation.

ⁱⁱ An easy-to-use infographic was recently released by the Department of Energy outlining sources, conversion pathways and end uses of hydrogen. See <https://energy.gov/eere/articles/hydrogen-clean-flexible-energy-carrier>