Chairman Robert Weisenmiller  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814  

February 8, 2018  

Subject: IEPR Comments Submission and Renewable Hydrogen Cost Evaluation Integrity  

Dear Chair Weisenmiller,  

Attached are comments from The California Hydrogen Business Council (CHBC)\textsuperscript{i} to the proposed final draft of the IEPR. Thank you for the opportunity to present our perspective. In submitting these comments, we would also like to emphasize the need for data accuracy and integrity for the IEPR as well as other CEC reports.  

We appreciate the effort to include information about renewable hydrogen and to incorporate our comments reflected in this draft of the report. However, we also continue to be disappointed with inaccuracies and omissions that unfairly disadvantage renewable hydrogen, including electrolytic renewable hydrogen, in its IEPR review and in other important CEC efforts.  

The draft IEPR does not do enough to lay out a comprehensive strategy to promote the development of renewable hydrogen in California, as was contemplated by the passage of SB 1383 (Lara, statutes of 2016). Instead, the IEPR includes both limited and misleading information that suggests renewable hydrogen is not a feasible future technology to be integrated into the energy systems.  

Since the passage of SB 1383, CHBC has worked in good faith with the commission, its staff and external resources to provide accurate and constructive information to support a balanced IEPR that was expected to provide a robust renewable gas programmatic review. The CEC IEPR final product, however, appears to still be lacking meaningful policies and programs to promote increased production and deployment of renewable hydrogen.  

Perhaps most disheartening is a recent rejection of updated cost information by the CEC’s modeling team. Our members submitted data to E3, which was kindly willing to collaborate, and requested this data be included in the cost analysis of renewable hydrogen as an electric system grid storage and balancing solution. Not only was the information not included, but we were told E3 was given specific direction from your office to exclude it. Such an omission risks significantly and negatively impacting our industry and depriving California of valuable solutions to help reach State greenhouse gas reduction and electricity system transformation goals. It also risks engaging in state policymaking that inappropriately picks winners and losers, in lieu of upholding a long-standing tradition of remaining technology neutral.  

The CHBC expressed this concern in our comments on the Draft IEPR. We respectfully request that the updated cost and efficiency data be included in the IEPR and all relevant modeling efforts going-forward. We also request a meeting with the IEPR team and E3 modeling team to better understand why updated cost data has been rejected, and request an open and transparent process to fairly review electrolyzer technology.  

Hearing of this potential omission raises our previous concern of a possible pattern of bias against renewable (electrolytic) hydrogen by the leadership at the Energy Commission. The CHBC has followed the procedure of
providing comments and data throughout 2017 under the assumption of fair and unbiased treatment of all technologies; yet little of the economic data and reasoning we shared throughout the IEPR process ended up in the draft report, as we outlined in our 23-page comments. Again, it is our hope that our comments on the draft will be incorporated into the final version to present a more factual picture of the hydrogen industry and its potential value to California’s energy strategy across sectors.

Californians should not be deprived of any energy solutions that can keep them healthier and contribute to meeting state climate and emissions targets. We are counting on the Energy Commission to show unbiased leadership and to make sure that all clean energy technologies, including electrolytic and other hydrogen technologies, are presented fairly and accurately in the final IEPR.

Thank you for your consideration.

With regards,

Jeffrey A. Serfass     Lorraine A. Paskett
Executive Director     Advocacy Committee Chair
California Hydrogen Business Council     California Hydrogen Business Council

cc: Governor Jerry Brown
    Assembly Speaker Anthony Rendon
    Senate President Pro Tempore Kevin de Léon
    Senator Ben Hueso, Chair, Energy, Utilities and Communications Committee
    Senator Robert Hertzberg, Chair, Natural Resources and Water Committee
    Assembly Member Chris Holden, Chair, Utilities and Energy Committee
    Assembly Member Christina Garcia, Chair, Natural Resources Committee
    Commissioner Karen Douglas
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    Commissioner Andrew McAllister
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    Nancy McFadden, Office of Governor Brown
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    Michael Picker, CPUC President
    Jay Dickenson, Chief Consultant, State Senate Energy, Utilities and Communications Committee
    Bill Craven, Chief Consultant, State Senate Natural Resources and Water Committee
    Kellie Smith, Chief Consultant, State Assembly Energy and Utilities Committee
    Lawrence Lingbloom, Chief Consultant, State Assembly Natural Resources Committee

1 The CHBC is a California 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. 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. Members of the CHBC include Advanced Emission Control Solutions, Air Liquide Advanced