

May 15, 2023

Assemblymember Chris R. Holden, Chair  
Assembly Committee on Appropriations  
Capitol Office, 1021 O Street, Suite 8220  
Sacramento, CA 95814

**Re: AB 1550 (Bennett) – OPPOSE UNLESS AMENDED**

Dear Assemblymember Chris R. Holden:

On behalf of the Green Hydrogen Coalition<sup>1</sup>, we are writing to express our ‘*oppose unless amended*’ position to Assembly Bill (AB) 1550. This bill mandates that all hydrogen used for electricity generation or vehicle fuel in California shall be green hydrogen starting from January 1, 2045. While we share the goal of achieving net zero greenhouse gas emissions as soon as possible, we believe that the provisions in this bill may have unintended negative consequences to green hydrogen market development. Specifically, we object to the following provisions:

- ***Electrolytic only:*** The bill defines “green hydrogen” as hydrogen gas produced through electrolysis only. While we support electrolytic hydrogen production, this narrow definition excludes other production methods, such as biomass produced hydrogen, which can also help to reduce greenhouse gas emissions, reduce wildfires, and save lives. We recommend that the green hydrogen definition in the bill be broadened to include all non-fossil fuel feedstocks and low-emission production methods. Doing so will help ensure competition, spur innovation and investment and encourage market lift-off.
- ***No use of tradable renewable energy credits:*** The bill prohibits the use of tradable renewable energy credits (RECs) to demonstrate reliance on renewable electricity for the production of green hydrogen. This provision will limit the flexibility of the market and discourage investment in renewable energy sources. We believe that the use of RECs should be allowed as long as the production process meets specific requirements to ensure low carbon intensity on a well-to-gate basis, such as those being considered for federal IRA production tax credit compliance.
- ***Conflicts with California statute SB 1383 because it does not allow for biomass produced hydrogen:*** As mentioned earlier, the bill’s narrow definition of green hydrogen in the bill excludes biomass-produced hydrogen, which undermines California's goal (SB 1383) of diverting 75% organic waste away from landfills by 2025. Further, excluding biomass from AB 1550 ignores its potential to reduce landfill waste, promote responsible forest management and fire prevention, and contribute to the state's

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<sup>1</sup> <https://www.ghcoalition.org/>



emissions and other air pollution reduction goals. We recommend that the green hydrogen definition in the bill be broadened to include all non-fossil fuel feedstocks and low-emission production methods.

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We believe that the provisions mentioned above will create insurmountable barriers to the development of a competitive green hydrogen market and will only serve to slow down and otherwise hinder the state's progress towards achieving deep decarbonization, particularly for hard-to-electrify sectors. We respectfully urge you to amend the bill to address our concerns and create a framework that supports the growth of the green hydrogen industry and ensures that the fuel's use increases environmental equity.

Thank you for considering our position on this important matter.

Sincerely,

**Janice Lin**  
Founder and President  
Green Hydrogen Coalition

**Nick Connell**  
Interim Executive Director  
Green Hydrogen Coalition

**CC Assembly Committee on Appropriations Members:**

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