



May 15, 2023

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

Re: AB 324 (Pacheco/Newman) - SUPPORT

Dear Assemblymember Chris R. Holden:

The Green Hydrogen Coalition (GHC) supports AB 324 (Pacheco/Newman), which requires the California Public Utilities Commission (CPUC) to establish renewable hydrogen procurement goals for gas corporations and core transport agents. This renewable hydrogen standard is long overdue and can help California meet multiple policy objectives. GHC supports AB 324 on the basis that it defines renewable hydrogen to include Renewable Portfolio Standard-eligible energy inputs and renewable feedstocks and it requires the California Public Utilities Commission to consider adopting a renewable hydrogen procurement program to provide a reliable market for renewable hydrogen.

The recognition of renewable hydrogen's ability to provide the state's long-lasting energy storage, dispatchable power, and fuel for hard-to-electrify uses, as well as heavy-duty transportation, has been acknowledged by both the California Air Resources Board (CARB) and the California Energy Commission (CEC).^{1,2} The 2022 Climate Change Scoping Plan predicts that California will require 1,700 times the current amount of hydrogen generated to meet its climate goals.³ Therefore, it is crucial to increase the production of hydrogen from renewable resources to achieve energy reliability and decarbonization objectives. By passing AB 324, California can demonstrate its dedication to leading the fight against climate change.

¹ California Energy Commission. 2022 Integrated Energy Policy Report (IEPR). Retrieved from <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update>

² California Air Resources Board. 2022 Climate Change Scoping Plan. Retrieved from <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>

³ Ibid.



AB 324, by defining and directing the CPUC to establish procurement goals, can help the state replace fossil fuels with zero-carbon renewable hydrogen. It can also stimulate the development of renewable hydrogen at scale by compelling incumbent utilities to purchase renewable hydrogen, leading to lower production costs within the state. The CPUC will consider a hydrogen procurement mandate instead of mandating an actual procurement threshold, resulting in a more effective and efficient mandate for renewable hydrogen procurement in California.

Renewable hydrogen is critical to help meet California's climate change, renewable energy, organic waste diversion, and air quality goals. Therefore, GHC respectfully requests an "aye" vote when the Assembly Committee on Appropriations hears AB 324.

Sincerely,

Janice Lin
Founder and President
Green Hydrogen Coalition

Nick Connell
Interim Executive Director
Green Hydrogen Coalition

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