



Hydrogen Means Business in California!



The Honorable Governor Gavin Newsom
California State Governor
1021 O Street, Suite 9000
Sacramento, California 95814

August 24, 2022

The Honorable President pro Tempore Toni Atkins
California State Senate
1021 O Street, Suite 8518
Sacramento, California 95814

The Honorable Speaker Anthony Rendon
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: Inclusion of Significant Funding for Clean Hydrogen Production in Remaining Budget Trailer Bills

Dear Governor Newsom, Pro Tempore Atkins, and Speaker Rendon:

Together, the California Hydrogen Business Council (CHBC) and the Green Hydrogen Coalition (GHC), write in support of allocating at least \$100 million of the remaining budget funding for clean hydrogen production and end uses.

GHC is a California educational 501(c)(3) non-profit organization. GHC was formed in 2019 to recognize the game-changing potential of "green hydrogen" to accelerate multi-sector decarbonization and combat climate change. GHC's mission is to facilitate policies and practices that advance green hydrogen production and use in all sectors of the economy to accelerate a carbon-free energy future and a just energy transition. Our sponsors include renewable energy users and developers, utilities, and other supporters of a reliable, affordable green hydrogen fuel economy for all.

The CHBC¹ is a 501(c)(6) non-profit organization comprised of over 135 companies and agencies involved in the business of hydrogen. The CHBC mission is to advance the commercialization of hydrogen in the energy sector, including transportation, goods movement, and stationary power systems to reduce emissions and help the state meet its decarbonization and air quality goals. CHBC enhances market commercialization through effective advocacy and education of policymakers directly and through coalition building.

Together, we write in support of including **at least \$100 million of remaining budget funding for clean hydrogen production and end uses in the anticipated climate trailer bill to help win federal funding to support a California Hydrogen Hub Award.**

To achieve California's climate goals, we must utilize all resources available to build and support deployment of an economically sustainable and decarbonized energy system across the state. Clean hydrogen, produced from renewable energy resources as determined by the state air resources board, and otherwise consistent with the

¹ 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/>

standard as set forth in Sections 16166(b)(1)(B) and 16166(b)(2) of Title 42 of the United States Code², is a critical tool in California's efforts to reach carbon neutrality. Hydrogen is an effective and scalable energy vector that can be stored for long-durations and produces zero-emissions when paired with fuel cells³. Hydrogen can decarbonize many end-uses, including transportation, goods movement, heavy industry, buildings, and grid resilience and reliability, as the state increases electrification. We support inclusion of hydrogen production and end uses in the climate change trailer bill to leverage recent federal action and maximize the remaining funds in the 2022-2023 budget. A \$100 million or greater investment in clean hydrogen production, originally promoted in the Governor's Budget and May Revise, will ensure the state's grid has a clean energy solution for resiliency and reliability. Additionally, funding should also be allocated for the Governor's Office of Economic Development to administer a hydrogen hub application and program.

As evidenced by the state's extended wildfire season, ever-present drought conditions, and record-setting heat indices, California cannot afford to ignore the impacts of climate change and need for energy solutions like clean hydrogen and the necessary supporting infrastructure. The CHBC & GHC respectfully recommend the Governor's Office and legislative leadership strongly consider additional support for clean hydrogen production and end uses, including additional funds to support a nation-leading hydrogen hub that will shape our state's climate future for years to come.

The CHBC & GHC appreciate the opportunity to make this request and we look forward to the inclusion of clean hydrogen in the state's budget.

Sincerely,



Sara Fitzsimon, J.D.
Policy Director
California Hydrogen Business Council

/s/ Janice Lin
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Green Hydrogen Coalition
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² 42 U.S. Code Section 16166(b)(1)(B); 42 U.S. Code Section 16166(b)(2). Clean hydrogen means "hydrogen produced with a carbon intensity equal to or less than two kilograms of carbon dioxide-equivalent produced at the site of production per kilogram of hydrogen produced." For reference: <https://www.law.cornell.edu/uscode/text/42/16166>. Accessed August 19, 2022.

³ United States Office of Energy Efficiency and Renewable Energy. "Hydrogen: A Clean, Flexible Energy Carrier." <https://www.energy.gov/eere/articles/hydrogen-clean-flexible-energy-carrier>. Accessed August 18, 2022.