



CHBC Comments on Policy Recommendations to Increase the Use of Zero-Emission Vehicles per Senate Bill 498

January 23, 2020

Dear Chair Nichols, and members of the Air Resources Board,

The California Hydrogen Business Council (CHBC)¹ welcomes the opportunity to comment on the *Policy Recommendations to Increase the Use of Zero-Emission Vehicles per Senate Bill 498*. The CHBC is supportive of the recommendations pertaining to hydrogen, and fuel cell electric vehicles and infrastructure buildout. In general terms, CHBC continues to advocate and request parity in state support of hydrogen fuel cell electric technologies compared to other zero emissions options, namely those that are battery electric. The state ought to also encourage technology neutrality in local government policies and grant opportunities, e.g. in the transit sector.

We very much support the following recommendations, as they would address barriers for the industry:

- providing sales tax exemption for light-duty and heavy-duty ZEVs, like was done for buses in AB 784;
- predictable and expanded funding for incentives;
- allow renewable hydrogen to be eligible and included in SB 350 transportation electrification;
- support any measures to provide "predictable, cost-competitive and stable electricity and hydrogen fuel costs";
- extend CEC's Clean Transportation Program beyond 2023 and promote ZEV fuels (including hydrogen);
- develop a work group for heavy-duty and off road ZEV infrastructure (especially hydrogen);
- exempt ZEV infrastructure from sales tax;

¹ The CHBC is comprised of over 100 companies and agencies involved in the business of hydrogen. Our mission is to advance the commercialization of hydrogen in the energy sector, including transportation, goods movement, and stationary power systems to reduce 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. CHBC Members are listed here:

<https://www.californiahydrogen.org/aboutus/chbc-members/>

- additional funding and support for vehicle incentives and infrastructure for low income/disadvantaged communities, high mileage fleets (ridesharing), schools;
- authority for local governments to authorize zero emission zones and implement pricing mechanisms; and
- other recommendations related to fleet adoption, education and outreach, workforce development, and program flexibility.

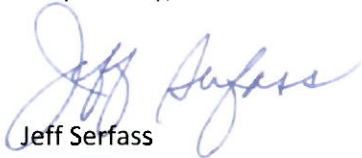
CHBC also requests that the Board and staff support access to wholesale electricity rates for electrolytic hydrogen production that would allow decarbonized hydrogen to more rapidly become competitive with traditional fuels, recognizing that electrolyzers can also provide numerous grid benefits and are interruptible. These rates should also be extended to the electricity consumption at hydrogen fueling stations to help reduce operational costs for this developing technology.

In addition, CHBC recommends that hydrogen be held to the same standard to increase its renewable content as grid electricity, not to a higher standard. Renewable hydrogen could match the renewable content provided in grid electricity over the next decade.

The Hydrogen Council's goal, which CHBC endorsed in 2018, already targets that all hydrogen for transportation be decarbonized by 2030.

We appreciate consideration of these comments and look forward to working with the Board on further developing these recommendations and enacting them.

Respectfully,



Jeff Serfass

Executive Director

California Hydrogen Business Council