

California Legislature

December 9, 2019

Honorable Mary D. Nichols
Chair, California Air Resources Board
1001 I (Eye) Street
Sacramento, CA 95814



Dear Chair Nichols:

We, the undersigned, are writing to express our support for the California Air Resources Board's (CARB) efforts in the implementation of the Fuel Cell Net Energy Metering (FCNEM) provisions of AB 1637 (Low, 2016). The proposal put forward by CARB staff is a strong standard that strictly adheres to the intent of AB 1637 by ensuring that fuel cell generation will continue to reduce greenhouse gas (GHG) emissions compared to the State's electrical grid. In adopting the staff proposal, CARB will ensure the State can leverage every available technology in its effort to combat climate change and criteria air pollutant emissions, while also providing California's residents and businesses clean energy generation options that help mitigate the impact of climate-related disasters.

Now, more than ever, customers must be empowered to tap into clean energy choices to protect themselves as they grapple with the impacts of wildfire-induced public safety power shutoffs (PSPS), which have impacted tens of thousands in recent weeks. These PSPS events have prompted an exponential increase in the purchase and usage of dirty, 20th century diesel back up generators (BUG). Adoption of this standard ensures that fuel cells will remain a strong alternative to BUGs by providing clean and reliable on-site electricity generation without emitting noxious criteria air pollutants. Any other outcome would be an abject policymaking failure and result in the acquisition of even more diesel generators in the next fire season.

The intent of AB 1637 was made clear to CARB in a May 28, 2019 letter from the bill's author that called for the GHG standard to be benchmarked against present day grid emissions, not against projected or modeled emissions in 2030. It was pointed out that hypotheticals would "unnecessarily stifle the fuel cell industry's growth in California and remove an important clean energy tool when all are needed to achieve the ambitious climate and air quality goals we must achieve." The proposed standard developed by CARB staff is in keeping with the author's legislative intent.



The GHG reduction standard methodology proposed by CARB is not only sound and informed by an all-encompassing public stakeholder process that lasted more than two years, it is consistent with a parallel policy developed by the California Public Utilities Commission (CPUC). As part of its regular update to the Self-Generation Incentive Program (SGIP), the CPUC independently derived a methodology that is remarkably similar to CARB's methodology. As both agencies' experts have separately come to the same conclusion on the fundamental methodology, we firmly support CARB's proposal.

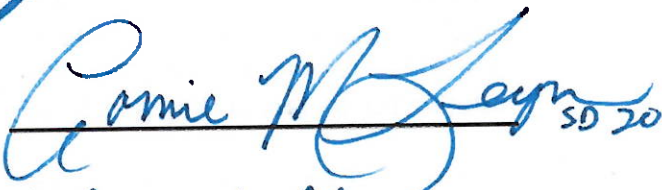
CARB has engaged in an extensive, data-driven public process supported by a robust record. We support CARB's efforts and believe that the proposed standard fulfills the spirit and letter of AB 1637 by systematically driving fuel cells toward lower GHG emissions, thereby complementing the state's immediate efforts to mitigate the impacts of wildfires and PSPS events, while also supporting the broader goals related to decarbonizing the grid. We strongly encourage the Board to adopt the proposed standard.

Sincerely,


AD 28


SD 15


AD 44


SD 20

 AD 13

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