

TOYOTA

HONDA

HYUNDAI

April 7, 2017

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

RE: Request to Include Hydrogen Infrastructure in VW's California ZEV Investment Plan: Cycle 1

Dear Chair Nichols:

Toyota Motor North America, Inc., American Honda Motor Company, Inc. and Hyundai America Technical Center, Inc. greatly appreciate the opportunity to comment on Volkswagen's "California ZEV Investment Plan: Cycle 1." As three of the U.S.'s leading manufacturers of alternative fuel vehicles, we applaud California's efforts to advance zero emission vehicles (ZEVs) and California's ongoing efforts to expand hydrogen infrastructure in California.

The continued success of fuel cell electric vehicles (FCEVs) is heavily dependent upon available, accessible infrastructure. We strongly recommend that CARB direct Volkswagen to spend a significant portion of this and future Cycles' funds toward the goal of expanding the number of hydrogen refueling stations (HRS). As you know, the current commitment by California to bring 100 HRS to market by 2020 is not on-track. In addition, those 100 stations, while an admirable start, fall short of the vehicle projections made by automakers. The need for more hydrogen refueling is far greater than 100 stations. The California Fuel Cell Partnership has begun work on a 500+ HRS vision for a sustainable market fuel cell market. The Board indicated at the March 24, 2017 hearing that hydrogen station funding could potentially be considered in the second cycle of funding. We are concerned that this delay will have an impact on future vehicle growth. An additional 30 months until the next cycle, together with the lead time for station permitting and construction could delay new stations for five or more years.

Limitations in capacity and coverage are beginning to inhibit FCEV sales to customers. Current hydrogen stations in key market areas are now operating near full utilization and some sites cannot provide enough hydrogen during peak demand periods. ARB's own 2016 analysis<sup>1</sup> shows that automakers are increasing their investment in hydrogen vehicles, and asserts that "ensuring a swift and sustained pace of station deployment will be critical to expand coverage..." In addition, the California Fuel Cell Partnership states that "quickly expanding the number of hydrogen stations is the single most important element for increasing FCEV deployment."<sup>2</sup>

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<sup>1</sup> "2016 Annual Evaluation of Hydrogen Fuel Cell Electric Vehicle Deployment and Hydrogen Fuel Station Network Development"

<sup>2</sup> CaFCP ZEV Investment Public Workshop

We urge the Board to act now to maximize California's opportunity to establish a strong network of refueling stations and help secure the future of FCEVs in California.

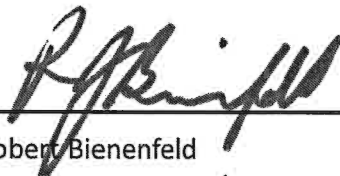
Sincerely,



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Tom Stricker  
Vice President, Product  
Regulatory Affairs

Toyota Motor North America,  
Inc.



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Robert Bienenfeld  
Ass't. Vice President, Energy and  
Environmental Strategy

American Honda Motor Co., Inc



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Deborah Bakker  
Director, Regulatory Affairs

Hyundai America Technical  
Center, Inc.

cc: The Honorable Jerry Brown, Governor of California  
Ms. Sandra Berg, Vice Chair, California Air Resources Board  
Dr. John R. Balmes, California Air Resources Board  
Mr. Hector De La Torre, California Air Resources Board  
Mr. John Eisenhut, California Air Resources Board  
Senator Dean Florez, California Air Resources Board  
Mr. John Gioia, California Air Resources Board  
Ms. Judy Mitchell, California Air Resources Board  
Mrs. Barbara Riordan, California Air Resources Board  
Mr. Ron Roberts, California Air Resources Board  
Mr. Phil Serna, California Air Resources Board  
Dr. Alexander Sherriffs, California Air Resources Board  
Prof. Daniel Sperling, California Air Resources Board  
Ms. Diane Takvorian, California Air Resources Board  
Mr. Tyson Eckerle, Deputy Director, California Governor's Office of Business and Economic  
Development