

February 20, 2024

Ms. Liane Randolph  
Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95864

**Re: Hy Stor Energy Comments on Proposed 2024 Low Carbon Fuel Standard (LCFS) Regulation**

Dear California Air Resources Board:

Thank you for the opportunity to provide comments on the proposed low-carbon fuel standard amendments. Hy Stor Energy LP respectfully submits the following comments, which are intended to facilitate the adoption of clean hydrogen in low-carbon transportation fuels, which include sustainable aviation fuel (SAF), power-to-liquids, and renewable diesel, and would help scale up a low-carbon fuel industry that would support the decarbonization of the U.S. economy.

Hy Stor Energy, a company headquartered in Jackson, MS, was formed for the purpose of developing and advancing renewable hydrogen production, storage, and delivery at commercial scale in the United States. Pursuing a multi-regional platform strategy focused on critical locations with the right geography and geology uniquely suited to favorable renewable power generation, underground hydrogen storage, and distribution networks for regional and global market access. Hy Stor Energy's first major project, the Mississippi Clean Hydrogen Hub, is under active development. It will be centered on the development of world-scale underground hydrogen storage capability, with approximately 70,000 acres of land in sixteen Mississippi counties and two Louisiana parishes under Hy Stor Energy's control, seven salt domes, and nine salt caverns fully permitted for underground hydrogen storage. Hy Stor Energy will soon announce a second project in the western United States positioned to be the leading renewable hydrogen supply hub serving the U.S. West and California markets.

Renewable hydrogen is an essential tool for the energy transition and will play a significant role in enabling California to achieve its net-zero goal by 2045. Renewable hydrogen is both an important transportation fuel for fuel cell electric vehicles as well as a necessary feedstock for many low and zero-carbon transportation fuels including SAF, power-to-liquids, renewable diesel, renewable methanol, and renewable ammonia. Enabling the LCFS eligibility of renewable hydrogen as both a transportation fuel in FCEVs as well as a feedstock liquid transportation fuel will enable greater adoption of low-carbon liquid fuels and drive emissions reductions in both the near and long term.

Hy Stor Energy respectfully suggests that the California Air Resources Board (CARB) modify the LCFS amendments to make the following amendments to the LCFS staff draft.

- I. Allow book-and-claim delivery of low-CI electricity for electrolytic hydrogen production used as a feedstock in liquid transportation fuels.
- II. Allow book-and-claim delivery of low-CI hydrogen in dedicated hydrogen pipelines outside of California for transportation fuel sold into the California market.
- III. Allow delivery of low-CI electricity via book-and-claim for electrolytic hydrogen production in the Renewable Hydrogen Refinery Credit Program.

**Allow book-and-claim delivery of low-CI electricity for electrolytic hydrogen production used as a feedstock in liquid transportation fuel.**

Allowing book-and-claim delivery for low-CI electricity would maximize the potential for renewable hydrogen adoption and emissions reductions. Low-CI hydrogen will support the production of low and zero-carbon liquid transportation fuels, which are critical to decarbonizing the hard-to-decarbonize markets of heavy-duty surface transportation, aviation, and maritime transportation.

Furthermore, permitting book-and-claim delivery for low-CI electricity will match the treatment CARB has extended to renewable natural gas (RNG), which allows for the utilization of book-and-claim delivery of RNG, including for RNG used in the production of liquid transportation fuels.

**Allow book-and-claim delivery of low-CI hydrogen in dedicated hydrogen pipelines outside of California for transportation fuel sold into the California market.**

Currently, there are no dedicated hydrogen pipelines in California. Our goal as a nation and Hy Stor Energy's goal as an early mover in the production and distribution of green hydrogen is to facilitate the build-out of a national clean hydrogen economy. This will necessarily include the buildout of a robust hydrogen pipeline backbone to support the scale up of low-CI hydrogen adoption and drive down costs across the entire hydrogen value chain. Limiting eligible dedicated hydrogen pipelines to the California state borders would dramatically stunt the development of the hydrogen market both within California and the region. The optimal policy would be to allow book-and-claim delivery of low-CI hydrogen in any dedicated hydrogen pipeline serving as a feedstock for any fuel being consumed in California. A robust book-and-claim system will allow the delivery of low-CI hydrogen to catalyze market adoption of low and zero-carbon liquid transportation fuels including sustainable aviation fuels, power-to-liquids fuels, and renewable diesel in the critical hard-to-decarbonize industries in California and nation-wide.

**Allow delivery of low-CI electricity via book-and-claim for electrolytic hydrogen production in the Renewable Hydrogen Refinery Credit Program.**

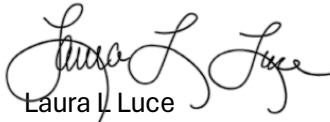
In order to decarbonize medium to large scale facilities GW scale electrolysis projects will be required. As the current program is designed, requiring onsite renewable generation restricts the program to small-scale projects due to land constraints where refinery facilities are currently located. Allowing for the

delivery of low-CI electricity via book-and-claim for electrolytic hydrogen production would allow refineries to utilize this program to lower emissions. Without this amendment, this program will likely continue to be underutilized.

**Conclusion**

Hy Stor Energy is committed to catalyzing low and zero-carbon solutions to enable California to meet its climate goals. We appreciate the CARB staff's work on the development of the proposed rule and their commitment to improving the LCFS. We look forward to continuing to work with CARB staff on this critically important effort.

Sincerely,



Laura L. Luce  
Founder & CEO  
Hy Stor Energy LP