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BY EMAIL

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

November 20th, 2018

Re: Proposed Innovative Clean Transit Rule, 2nd Board Hearing

Dear Chair Nichols:

On behalf of Ballard Power Systems Inc. (Ballard), we are writing to express Ballard's continued overall support for the proposed Innovative Clean Transit (ICT) Rule.

We appreciate CARB's work on this important regulation, and strongly recommend incorporation of the following roll-out plan requirements, which were proposed by the California Hydrogen Business Council before the last CARB Board meeting on this issue:

- That transit agencies (initially large ones) be required to develop a ZEB plan in which they **assess the build-out of utility generation, distribution and transmission infrastructure** to suit the transit agency procurement plans, as submitted by the transit agencies for the 2020 deadline. These assessments would include consideration of ALL new transportation and industrial electrification efforts and their required generation and T&D capacities, **designating ratepayer costs and utility investor costs, and estimated build schedule**. As part of that plan, resiliency impacts must also be assessed.
 - Equivalently, all hydrogen powered vehicle procurement plans must show **cost and schedule assessments for build-out of hydrogen production, distribution and dispensing**, along with resiliency impacts.
- ARB should establish a deadline for the **completion of these ZEB and fuel infrastructure plans** in concert with procurement plans **by 2023**.

Californians will be paying for the ICT by multiple independent paths, including increased electrical rates and Cap & Trade funding, and these costs must be illuminated to choose the most effective and least-cost approach for California. While we do not believe these proposed changes should delay your approval of the ICT, we firmly believe they need to be incorporated in any final revisions of the regulation.



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Thank you for your continued openness to industry, and for your consideration of our feedback. If you have any questions, please address them to our Business Development Manager for California, Tim Sasseen, at tim.sasseen@ballard.com, or call him at 805-705-0716.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Campbell".

Rob Campbell
Chief Commercial Officer
Ballard Power Systems Inc.

cc. T. Sasseen
N. Pocard