

December 4, 2023

The Honorable Gavin Newsom Governor California State Capitol Sacramento, CA 95814

Re: California's Continued Leadership on Clean Hydrogen

Dear Governor Newsom:

We are writing to congratulate the Administration on receiving a federal Hydrogen Hub award and to suggest several critical measures to ensure that California receives the full amount and can use it to galvanize clean hydrogen development in California. As you know, clean hydrogen is essential to meet California's climate change and renewable energy goals. Developing a robust hydrogen sector in California will also create good jobs and lasting economic development. Additionally, hydrogen used in place of fossil fuels, generated from biomass waste that would otherwise be open burned, or generated from landfill gas that would otherwise be flared also protects air quality and public health.

Our associations and organizations applaud your leadership on hydrogen development, especially your recent call for an "all of government" approach to accelerate hydrogen production and use in California. We would like to suggest several essential measures to achieve that "all of government" approach and to ensure the state's continued leadership in this sector. In addition, taking these steps in the near term will help California secure the full amount of Hydrogen Hubs funding from the federal government and not leave money on the table. We respectfully urge the Administration to:

- Adopt a definition of "renewable hydrogen" and "clean hydrogen" in statute and across regulatory programs that includes hydrogen from all renewable resources, both electrolytic and biogenic, thus aligning it with California's Renewable Portfolio Standard and the Federal Bipartisan Infrastructure Law.
- Streamline and consolidate permitting for renewable and clean hydrogen production and for dedicated pipeline transport and storage, and provide additional resources for local permitting agencies to expedite the process.
- Renew and expand existing funding for renewable hydrogen, including the Department of Conservation's funding for carbon negative biofuels from forest waste, the Air Board and Energy Commission's funding for clean hydrogen production, and other programs to fund hydrogen production, conveyance, and fueling infrastructure. This would include expanding the Low Carbon Fuel Standard capacity credits to include heavy-duty fueling stations and also preserving the current crediting system for retail fueling stations that serve light through medium-duty vehicles.
- Include funding for renewable and clean hydrogen production in bond legislation, the Greenhouse Gas Reduction Fund, and Climate Catalyst Fund.
- Ensure a new market for hydrogen through adoption of a renewable gas standard or other procurement mechanism that provides long-term certainty and is based on the lifecycle carbon intensity of the hydrogen or other renewable gas.
- Remove barriers to hydrogen production from diverted organic waste to help meet the requirements of SB 1383 (Lara, 2016) to reduce methane and other Short-Lived Climate Pollutant emissions.

We hope to discuss these measures in more detail with members of your Administration at their earliest convenience.

Thank you again for your leadership on clean hydrogen. We look forward to working together to make California the world's leader in clean hydrogen production and use.

Sincerely,

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