



Cars Are Basic

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1 June 2024

Senator Anna Caballero, Chair
Senate Appropriations Committee
1021 O Street, Room 7620, Sacramento, CA 95814

Re: Support Hydrogen SB 1420 (Caballero)

Dear Chair Caballero:

Cars Are Basic (CAB)TM is in favor of SB 1420 as California needs a statewide standard for using clean hydrogen in transportation and improving the permitting process for projects that produce hydrogen. Going back 20 years ago we have championed hydrogen as both a combustible fuel and an electric source.

The US Department of Energy gave California up to \$1.2 billion for the ARCHES - Alliance for Renewable Clean Hydrogen Energy System. This is a historic milestone in the state's efforts to meet our energy needs.

We must work to ensure that hydrogens addition to the state's energy portfolio can keep pace with progress made in other energy sources. As it stands California's move to "alternative fuels" has helped create an inflationary spiral, hurt the middle class and increased the costs of home heating and food production.

While the bill improves the permitting process for hydrogen production projects, more can be done. To grow the hydrogen economy and secure federal funding, we suggest the following amendments to SB 1420:

- A) Include renewable hydrogen as an eligible Renewable Portfolio Standard (RPS) resource. This language was removed from the bill and should be reconsidered. PEAKER electricity plants are a fine example of inexpensive and immediate long term infill during emergency backfill needs.

- B) Incorporate concepts from existing laws to streamline the permitting and CEQA review process for hydrogen production and delivery to avoid lengthy

processes that unnecessarily increase costs, legal fees and overhead for clean energy investments.

California's 2022 Scoping Plan Update supports more hydrogen capacity. Developing the Hydrogen Economy of the Future will allow for the decarbonization of hard-to-electrify sectors, including power generation, heavy-duty transport of goods and industrial uses.

These are important sectors of California's economy that must be part of the clean energy transition. Scaling up clean hydrogen production would reduce CO₂ emissions and improve air quality. CAB has been aware of the sequestering of CO₂ that makes production carbon neutral.

Proactive development of hydrogen's production and delivery is a must for the California hydrogen economy to become sustainable and affordable for the end-user.

We cannot let significant federal funding opportunities pass by because we are not bold enough in our efforts to support the development of energy infrastructure.

On behalf of the Board,

Electronic Signature

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