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Honorable Assemblymember Juan Carrillo (Chair) Assembly Local Government Committee 1020 N. Street, Room 157 Sacramento, CA 95814

Honorable Assemblymember Lori Wilson (Chair) Assembly Transportation Committee 1020 N Street Room 112 Sacramento, California 95814

RE: SB 1418 Hydrogen-fueling stations: expedited review. OPPOSE

Dear Assemblymember Carrillo, Assemblymember Wilson, and Committee Members:

The Center on Race, Poverty, and the Environment, The Climate Center, and the undersigned organizations are writing to express our opposition to SB 1418 (Archuleta), which would streamline the development of hydrogen fueling stations and curtail the ability of impacted communities and stakeholders to raise concerns about these projects. We are deeply concerned about the impacts this bill could have on public health, environmental justice, air quality, and the climate.

SB 1418 "would require every city, county, or city and county to adopt an ordinance that creates an expedited, streamlined permitting process for hydrogen-fueling stations..."

We believe this is bad public policy and will undermine climate justice in several ways:

- 1. Expediting and streamlining projects that introduce hydrogen, a highly volatile and difficult-to-contain gas, into local communities is unequivocally dangerous. Decisions about flammable and (in certain cases) explosive gases such as hydrogen require careful scrutiny and ample time to ensure that public health and safety are safeguarded. The deployment of hydrogen fueling stations without careful planning could also negate climate and air quality benefits due to pipeline leakage and the impacts from hydrogen fuel production on fenceline communities.
- 2. This bill will take away local control of land use and public health decisions by requiring ordinances that streamline the permitting of hydrogen fueling stations across the state regardless of how the hydrogen fuel was produced and without a full consideration of the guardrails in place to ensure safe delivery and storage. By doing so, it will also cut off the ability of frontline and environmental justice communities to raise their concerns about increased truck traffic, combustion risks, concentration of undesirable land uses in their community, and more.
- 3. Over 90% of hydrogen produced today is via fossil gas steam reformation. Deploying fueling stations to dispense dirty hydrogen is not a climate or clean energy solution and will instead extend the life of fossil fuel infrastructure that might otherwise be retired and result in increased air pollution in fenceline communities near hydrogen production facilities. Moreover, a transition to producing truly clean or green hydrogen will demand tens or hundreds of billions of dollars that could instead be invested more directly and efficiently into the electrification of our transportation infrastructure.
- 4. Hydrogen should not be incentivized as fuel where there are more efficient and affordable commercially available alternatives, such as battery-electric passenger cars, buses, trucks, and cargo-handling equipment or trains powered by catenary, battery, or a mixture of the two. There are now nearly two million zero-emission vehicles on California roads, most of them battery electric vehicles (BEVs). The vehicles themselves and the charging infrastructure are coming down in cost, improving, and expanding every day in terms of practicality, accessibility, and affordability.
- 5. With regard to light-duty vehicles (passenger cars), it is now clear that BEVs are a far superior technology compared to fuel-cell electrics (FCEVs). The efficiency equation alone, where BEVs are three times more efficient than FCEVs, is enough to settle the issue. The fact that electricity is known and familiar to consumers and that hydrogen has many unknowns and the public is not familiar with hydrogen, and the reality that scaling up hydrogen in neighborhoods introduces new hazards makes it clear that this is not a good policy direction.
- 6. Regarding medium- and heavy-duty trucks, there is not yet evidence that FCEVs are more cost-effective or feasible than BEV trucks, even for long-haul trips. An <a href="ICCT study">ICCT study</a> from 2023 instead showed that long-haul tractor FCEVs are unlikely to become more affordable than diesel-fueled trucks in the next decade and that

in that same timeframe these FCEVs will make up less than 1 percent of total long-haul tractor sales. Moreover, there is <u>evidence</u> that hydrogen fuel prices will remain high for some time, even with federal subsidies. Lastly, there are currently no commercially available hydrogen fuel-cell heavy-duty trucks in the U.S., while there are over 100 BEV trucks available on the market today. Given how far behind hydrogen FCEV trucks remain, the streamlining required by this bill is unnecessary.

- 7. Public policy should focus on addressing challenges that remain in the electric technology sphere such as providing affordable charging for multi-unit dwellers and planning for the electric infrastructure needed to support battery-electric medium- and heavy-duty trucks, buses, locomotives, and cargo-handling equipment. Hydrogen on the other hand has never really caught on for good reasons; there are fewer than 15,000 passenger FCEVs on the road, and the trajectory in cost, affordability, and access with regard to both vehicle and fueling is trending in the wrong direction.
- 8. The state should not impose such a fiscal risk upon local governments. Hydrogen hype has ballooned far beyond the Intergovernmental Panel on Climate Change's forecast as a targeted solution, plagued by economic, efficiency, and technical issues. As discussed above, hydrogen transportation fuel has a more uncertain role in the transportation sector than industry claims and rapid advances and sustained market growth in battery electric technology make the hydrogen market even more dubious. A 2022 Institute for Energy Economics and Financial Analysis report describes hydrogen's "small and shrinking market potential," and warns against "a substantial waste of taxpayer dollars for an outsized hydrogen-based economy that will never arrive. Public dollars should not be sunk into projects that are likely to fail to achieve financial viability due to a weak market, and the market scenario for hydrogen in vehicular transportation is particularly troubling." California doesn't have time or money to waste.
- 9. Local governments, many strapped for resources, should be spending their precious resources on improving the quality of life in their communities by focusing on making their cities walkable and bikeable, improving public transit options, investing in community-driven projects, and expanding electric vehicle charging infrastructure for those that must drive.

When SB 1418 comes to you for a vote, we respectfully urge your "no" vote.

Sincerely.

Natalia Ospina Legal Director Center on Race, Poverty & the Environment Woody Hastings Phase Out Polluting Fuels Program Mgr. The Climate Center Raquel Mason Policy Manager

California Environmental Justice Alliance

(CEJA) Action

Christina Scaringe

California Climate Policy Director Center for Biological Diversity

Andrea León-Grossmann

Deputy Program Director - West

Vote Solar

Faraz Rizvi

Policy & Campaign Manager

Asian Pacific Environmental Network

Fatima Abdul-Khabir

Sr. Program Manager of Energy Equity

The Greenlining Institute

Jakob Evans Policy Strategist Sierra Club California

Marcia Hanscom

Community Organizer

Defend Ballona Wetlands

Dee Fromm

**Managing Director** 

Coastal Lands Action Network

Robert J. Van de Hoek Environmental Scientist

Ballona Institute

Conner Everts

Executive Director
Southern California Watershed Alliance

Jack Eidt Co-Founder

SoCal 350 Climate Action

Theo Caretto
Associate Attorney

Communities for a Better Environment