

Our Mission

We're working to rapidly reduce climate pollution at scale, starting in California.

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theclimatecenter.org 1275 4th Street #191 Santa Rosa, CA 95404 707-525-1665 August 13, 2024

Assembly Member Buffy Wicks, Chair Assembly Appropriations Committee 1021 O Street, Suite 8220 Sacramento, CA 95814

RE: SB 1420 (Caballero) Hydrogen production facilities: certification and environmental review – OPPOSE

Dear Chair Wicks and Committee members,

I am writing on behalf of The Climate Center and its thousands of supporters throughout the state to respectfully oppose SB 1420 and urge your no vote when the bill comes to your committee.

The Climate Center only supports hydrogen production through electrolytic production that abides by the three pillars¹ of hydrogen production: additionality, deliverability, and temporal matching with availability of renewable energy. We also only support hydrogen end-uses that are difficult to electrify or decarbonize in any other way.

We were pleased about the removal of the weak and harmful "qualified clean hydrogen" definition in Section 1 of the bill at the Assembly Natural Resources Committee meeting of July 8 and are perplexed that in recent author amendments that section has been placed back in the bill without public discussion.

We remain concerned that the bill makes no mention of the three pillars as a whole, or any one of the pillars on its own as a policy imperative worth pursuing. As just one example, without the first pillar of additionality – new, purpose-built clean renewable energy – grid operators may be forced to fire up fossil gas peaker plants to meet the additional demand of extremely inefficient electrolysis. There also appears to be no provision in the bill that would preclude the use of things like category 3 renewable energy credits to comply with the renewables-based requirement.

We remain concerned that this bill provides expedited CEQA review benefits to projects, which could streamline benefits for combustion-based hydrogen production that would harm the environment, local communities and the climate.

We remain deeply concerned that SB 1420 would expedite permitting for livestock gas to be used as a feedstock for hydrogen production.

¹ https://cleanpower.org/resources/pillars-for-a-green-hydrogen-industry/

Livestock gas, or factory farm gas, entrenches and exacerbates air and water pollution, especially in rural low income communities of color in the San Joaquin Valley. The production of factory farm gas incentivizes highly concentrated dairy herds and liquified manure management, both the most polluting practices in the industry. Producing hydrogen from this polluting gas doubles down on the pollution, either through emissions from steam methane reformation, or the inefficiencies and additional pollution of burning the gas to produce hydrogen.

We are concerned that SB 1420 eliminates the provision of existing state law, AB 1505 (2006), that applies the 33.3% renewable hydrogen requirement to all hydrogen fueling stations (not just those receiving "state funds") once total fuel dispensed statewide exceeds 3,500 tons/year (which is expected to happen in 2024).

We are also concerned that SB 1420 aims to accelerate the use of hydrogen for electricity generation, a use case which is hard to justify. The bill inappropriately directs the California Public Utilities Commission to include defined renewables-based hydrogen in annual utility procurement targets for utility electricity generation. The electricity procurement targets are meant for energy *sources* and hydrogen is an energy *carrier*, not an energy *source*.

The Climate Center views SB 1420 as a step backward from current law and represents a huge missed opportunity to codify a meaningful standard for clean/renewable hydrogen in the state's efforts to achieve its urgent clean energy and climate targets.

For these reasons above, we respectfully urge your "no" vote.

Sincerely,

Ellie Cohen, Chief Executive Officer The Climate Center

cc: Assembly Appropriation Committee Members and staff Senator Anna Caballero