April 7, 2025

The Honorable Isaac Bryan
Chair, Natural Resources
1021 O St. Room 5630
Sacramento, CA 95814

RE: AB 35 (Alvarez) – OPPOSE

Dear Assemblymember Isaac Bryan,

We write to express our opposition to AB 35 (Alvarez). AB 35 would severely limit the California Environmental Quality Act's (CEQA) applicability to qualifying "Clean Hydrogen Transportation Projects." At a time when we need to be considering the impacts of hydrogen infrastructure on frontline communities, creating processes that diminish the ability of communities to weigh in on projects that directly impact them would significantly undermine efforts to create informed community consent.

The bill would limit CEQA review by requiring the lead agency to approve a permit for a proposed hydrogen transportation project based on a "Clean Hydrogen Environmental Assessment" (CHEA), eliminating the requirement for Environmental Impact Reports (EIR) for projects with significant environmental impacts.

Along with elimination of CEQA's EIR requirement, the bill would eliminate the study of project alternatives, would not require public agencies to respond to public comments, and would provide for default project approval regardless of lead agency decision making if permit approval timeframes are missed. The CHEA requirements are deeply inadequate for weighing the full scope of potential adverse impacts on environmental justice communities of gas pipelines intended to transport hazardous materials across dozens or hundreds of miles.

The bill is concerningly vague in its criteria for eligible projects and leaves large loopholes. A "clean hydrogen transportation project" would be eligible for streamlined environmental review if it meets all of the following criteria:

- The project has received funding from the state or federal government on or before January 1, 2032, or has been included in an Alliance for Renewable Clean Hydrogen Energy Systems hydrogen hub application to the United States Department of Energy.
    - CONCERN: As written, Section 21162 (a) requires that to be eligible for streamlined review a project *either* receives any funding from the state or federal government *or* was a part of ARCHES application to the U.S. DOE. The bill does not provide specificity on the type or amount of funding a project must receive. The bill also does not require that the project actually receive any public funding, merely that it be part of ARCHES application to the U.S. DOE. Without the inherent oversight granted by federal or state funding, the public benefit of such a project is much less assured. Recently, in a Public Utilities Commission proceeding (A. 25-12-011), Southern California Gas Company announced that despite participating in California's ARCHES application they would not be accepting federal hydrogen funding and expect California gas utility ratepayers to pick up the bill. AB 35's funding criteria is concerningly broad and tailor made to permit behavior like that of SoCalGas.
- The project will meet the greenhouse gas reduction requirements applicable to an environmental leadership development project described in subdivision (c) of Section 21183. For purposes of this section, reductions in emissions of greenhouse gases by users of the clean hydrogen transported by the project shall be accounted for in calculating whether the project will lead to reductions in emissions of greenhouse gases.
    - CONCERN: Section 21162 (e) would count speculative greenhouse gas (GHG) emissions reductions achieved in speculative hydrogen end-uses the pipeline claims it will serve. As written, Section 21162(e) could permit multiple hydrogen projects (end-use and pipeline delivery) to claim the same emissions reductions, count hydrogen GHG benefits without accounting for hydrogen production emissions, and would be contrary to the purpose of Public Resources Code Section 21183.6 which is to "maximize the environmental and public health benefits from measures to mitigate the project impacts resulting from the emissions of greenhouse gases to those people that are impacted most by the project." Hydrogen end-use projects in California are in significant flux; just this year, BP eliminated its hydrogen team. In 2023 and 2024 Shell abandoned its light-duty hydrogen vehicles team, closing its California hydrogen fueling stations. Hydrogen end-use projects could disappear or change drastically before pipeline projects are complete leading to stranded assets and unrealized emissions reductions.
- The project will lead to operational reductions in the emissions of criteria pollutants, including reductions generated by users of the clean hydrogen transported by the project.
    - CONCERN: Similar to Section 221162 (e), Section 221162 (f) would count speculative criteria air pollution emissions reductions achieved in speculative

hydrogen end-uses the pipeline claims it will serve. Subsection (f) would permit multiple hydrogen projects to claim the same emissions reductions and count hydrogen criteria air emissions benefits without accounting for hydrogen production emissions. Additionally, the project could qualify for this provision while production of the hydrogen itself, including, the generation of feedstocks needed to produce the hydrogen generates criteria air pollutants.

- For linear projects, 25 percent or more of the linear infrastructure will be constructed within a previously disturbed corridor.
    - CONCERN: Section 21162 (g) would require that hydrogen pipelines at least in part co-locate with existing infrastructure. This requirement increases the likelihood that pipelines are routed through environmental justice communities already burdened by gas transmission infrastructure.

The bill's elimination of alternatives analysis for hydrogen pipeline projects means that a project could proceed even where it is overbuilt, disproportionately impacts environmental justice communities, or when a need could be met more cheaply or safely through other forms of clean energy. This risk is especially high because the bill incentivizes project proponents to inflate their hydrogen demand estimates to claim the GHG emissions benefits necessary to qualify as a CHEA. Gas transmission project streamlining seriously risks overbuilding pipeline infrastructure while demand is still uncertain. The cost of competing clean technologies such as battery electric vehicles, catenary rail, and long-duration battery storage continue to decline rapidly. Meanwhile, hydrogen cost predictions are at best uncertain with federal funding for projects in doubt. Careful consideration of project alternatives, including consideration of "right-sizing" a project will be key to building out safe, environmentally sound projects.

In addition to the significant environmental justice and public safety concerns, streamlining of hydrogen pipelines could also undermine any climate benefits realized by such projects. Hydrogen, specifically green hydrogen that follows the three-pillars to ensure there are no emissions associated with production of hydrogen or the feedstocks used to produce hydrogen in areas with sufficient groundwater, may be deployed in limited, hard to decarbonize end-uses to end reliance on hydrocarbon-based fuels and bring climate benefits. However, hydrogen is an indirect GHG which increases atmospheric concentrations of GHGs like methane, and any climate benefits are dependent on very low hydrogen leakage rates for all parts of the hydrogen value chain. With the past several years' significant interest in hydrogen, new leak control and detection technologies are starting to emerge. As these technologies mature, information sharing and transparency for decision makers will support California's environmental justice and climate objectives. Mitigation of leakage will be essential to closely study for each project as hydrogen transportation technology continues to mature. Streamlining hydrogen pipeline projects will undercut the thorough analysis and public process needed to ensure pipelines are built as safely as possible, for the sake of public health and the climate.

In 2023, a group of ten environmental justice organizations including the California Environmental Justice Alliance published the *Equity Principles for Hydrogen: Environmental Justice Position on Green Hydrogen in California*. The Equity Principles articulate a clear framework for protecting communities and creating safeguards. A key principle outlined states that community consent and involvement is critical for the development of any hydrogen project. This bill would fundamentally limit the scope by requiring a deeply insufficient impact statement and provide a curtailed review period for community input and feedback on potential projects.

It is for these reasons that the undersigned organizations oppose AB 35 (Alvarez).

Best,

Faraz Rizvi, **Asian Pacific Environmental Network**

Marcia Hanscom, **Ballona Wetlands Institute**

Nick Lapis, **Californians Against Waste**

Aditi Varshneya, **California Environmental Justice Alliance (CEJA) Action**

Kayla Karimi, **Center for Race, Poverty & The Environment**

Dee Fromm, **Coastal Lands Action Network**

Theo Caretto, **Communities for a Better Environment**

Robert van de Hoek, **Defend Ballona Wetlands**

Kyle Heiskala, **Environmental Health Coalition**

Merrian Borgeson, **Natural Resources Defense Council**

Alex Jasset, **Physicians for Social Responsibility Los Angeles**

Faith Myhra, **Protect Playa Now**

Jakob Evans, **Sierra Club California**