

May 10, 2021

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

Dear Governor Newsom,

We write to you today as executive representatives of companies investing heavily in the development of hydrogen mobility.

Hydrogen, in both energy and transportation, has tremendous potential to help all over the world but especially California - realize air quality and climate change goals. As it relates to California's already great achievement of zero emission cars, trucks and buses, the fast fueling

capabilities and vehicles offering longer ranges and larger sizes without a loss in efficiency or capacity, means fuel cell electric vehicles (FCEVs) offer a 1:1 replacement for gasoline and diesel vehicles today. This makes light and heavy-duty FCEVs a familiar and competitive zero emission mobility solution – a critical factor if we mean to increase consumer adoption of zero emission vehicles beyond 5% of new vehicle sales.

Developing the technology as well as fueling supply and infrastructure these vehicles require, our companies have collectively spent billions bringing fuel cell electric cars and trucks to market. Also noted by the Air Resources Board in its most recent analysis, “California’s [fueling] network has been dispensing up to 90 percent renewable hydrogen.”¹ The cost of developing two revolutionary zero emission concepts in parallel may have driven some to focus mainly on battery electric vehicles but vehicle manufacturers are returning to the idea of cells because of its many advantages.

When deployed across multiple applications, systemic benefits start to kick in: infrastructure costs are shared across applications, technological developments in one application can be applied to others, and sector-coupling benefits play a meaningful role. Supporting the development of vehicle infrastructure today allows hydrogen to serve tomorrow as the only technologically-viable zero emission fuel source in aviation, rail and marine.

Through the Clean Transportation Program, California is on track to provide \$200 million for the development of hydrogen fueling infrastructure, representing just 7% of total zero emission infrastructure spending. In order to become mainstream, the hydrogen economy cannot be based on subsidies; sustainable markets must be created. To that end, the Air Resources Board suggests, “self-sufficiency [for the light-duty market] can be achieved by 2030 with state support of up to \$300 million.”² The early stages of any technology curve must have some support, much as was seen in the early days of wind and solar power.

To that end, we respectfully request the Clean Transportation Program reauthorization include specific direction to the California Energy Commission that \$500 million of the \$1 billion securitization be dedicated to hydrogen fuel infrastructure to serve the light-duty, transit and heavy-duty vehicle markets. At this still early stage in market development, the signal California sends on hydrogen will impact private investment decisions. But in the medium- to long-run, hydrogen must and will stand on its own legs and be viable without external support.

With at-scale adoption across sectors, the U.S. hydrogen industry has the potential to create revenues of roughly \$140 billion per year and support about 700,000 jobs by 2030 in hydrogen production, infrastructure, and equipment. By 2050, hydrogen could enable a market of \$750 billion per year with 3.4 million new jobs³.

This is the dawn of an entirely new, clean and domestic power source made to serve the energy and transportation markets. We look forward to partnering with you and your Administration on its development and look forward to working together to achieve our shared goals.

¹ [2020 Annual Evaluation of Fuel Cell Electric Vehicle Deployment \(Report Pursuant to AB 8; Perea, Chapter 401, Statutes of 2013\)](#) (p. xxiv)

² [Hydrogen Station Network Self Sufficiency Analysis per Assembly Bill 8](#) (p. 7)

³ [Road Map US Hydrogen Economy](#) (p. 7)

Sincerely,



Michael J. Graff
Chairman and CEO
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Jill Evanko
CEO and President
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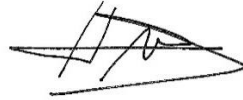
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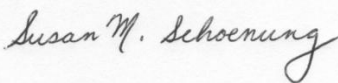
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