March 5, 2021

Energy Division
Attention: Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Comments on Draft Resolution G-3573 in Response to SoCalGas Advice Letter 5652-G

Dear Energy Division Tariff Unit,

The Green Hydrogen Coalition (“GHC”) hereby submits these comments in response to the Commission’s Draft Resolution G-3537. GHC respectfully urges the Commission to reconsider approving Southern California Gas Company’s (“SoCalGas”) Low Carbon Hydrogen Production Sub-Program. On June 25, 2020, SoCalGas submitted Advice Letter (“AL”) 5652 which amongst other things requested approval for a sub-program focused on low-carbon hydrogen production using various methane feedstocks. Due to the urgency of addressing climate change and poor air quality in various air basins throughout the state, the Commission should remain open to all pathways for emissions-free hydrogen production.

Within Resolution G-3572, the Commission rejects SoCalGas request to use ratepayer funds for low carbon hydrogen production, citing that this research area “needs careful consideration to determine whether it aligns with the state’s longer-term decarbonization goals.” Additionally, the Resolution states the “research methods for producing hydrogen from natural gas, as SoCalGas proposed, does not align with CPUC efforts in this ongoing proceeding.” The Commission does not dispute the assertions made by SoCalGas that low carbon hydrogen production provides “valuable environmental benefits by displacing fossil-sourced hydrocarbons which mitigates or eliminates Green House Gas (GHG) emissions from Carbon Dioxide (CO2).” The Low Carbon Hydrogen Production Sub-Program that the draft resolution disallows focuses on improving hydrogen production processes. These processes are renewable if the feedstock they are processing is renewable.

Pathways for emissions-free hydrogen production include several technologies involving methane, such as methane pyrolysis or SMR of biogas (which can be carbon negative). Renewable Natural Gas ("RNG") has the lowest carbon intensity of any fuel available today. Based on Q2 2020 Low Carbon Fuel Standard data, the average carbon intensity for compressed RNG reported in LCFS was negative and it is anticipated that the carbon intensity of RNG will continue to decline. Negative carbon fuels that reduce short-lived climate pollutants (“SLCP”) will be critical to reaching carbon neutrality, the most effective way to meet long-term climate goals is a mix of early action to reduce both carbon and SLCPs. Without action on SLCPs, the benefits will not be realized for several decades which will likely be too late to avoid the most extreme and irreversible impacts of climate change.

1 https://www.ghcoalition.org/
2 Resolution G-3573 at p.9
3 Resolution G-3573 at p.9
4 Advice Letter 5652 at p. 25
The low carbon hydrogen production programs target three key research areas; 1) Distributed, Low Carbon Hydrogen Production, 2) Hydrogen Production Using Advanced, Distributed Steam Methane Reforming (SMR), and 3) Methane Pyrolysis. Together these three focus areas are designed to expand the hydrogen market by increasing large- and small-scale hydrogen production while reducing costs. GHC is concerned that the Draft Resolution does not capitalize on the opportunity to approve much-needed research to further demonstrate the value of hydrogen in achieving California’s carbon neutrality goals, which may otherwise go misunderstood or continue to be underrepresented by the Commission and other regulatory agencies in assessing and selecting California’s clean energy toolkit. For example, the use of hydrogen as a drop-in fuel replacement for thermal electric power generation was excluded from E3’s core scenario analysis for the Senate Bill 100 Joint Agency Draft Result Workshop, due to inadequate supply and cost data. GHC posits research on green hydrogen, including the Low Carbon Hydrogen Production Sub-Program proposed in AL 5652, can help to alleviate the challenge of “inadequate supply and cost data.”

Research should not be limited to only studying the electrolytic production pathway (hydrogen produced via splitting water) and should continue to cover a broad array of technologies as it does today. This broader research approach supports achieving California’s environmental and SB 100 goals.

Respectfully submitted,

[Signature]

Janice Lin
Founder and President
GREEN HYDROGEN COALITION