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5/30/2024

Senator Anna Caballero  
Senate Appropriations Committee, Chair  
1021 O Street, Room 7620  
Sacramento, CA, 95814

RE: Endorse SB 1420 (Caballero) Hydrogen

Dear Chair Caballero:

Energy resiliency is a top priority of the Santa Barbara South Coast Chamber of Commerce, as we represent businesses throughout southern Santa Barbara County. Businesses across California, and particularly our region, are calling for increased efforts to guarantee the State's energy resilience and guarantee or economic competitiveness. California needs a statewide standard for using clean hydrogen in transportation and improving the permitting process for hydrogen production projects, that's why the Santa Barbara South Coast Chamber of Commerce endorses SB 1420.

The US Department of Energy gave California up to \$1.2 billion for the ARCHES - Alliance for Renewable Clean Hydrogen Energy System. This is a historic milestone in the state's efforts to meet our energy needs. We must work quickly to ensure that hydrogen's addition to the state's energy portfolio can keep pace with the progress we have made with other energy sources.

While SB 1420 improves the permitting process for applicable hydrogen production projects, more can be done. To grow the hydrogen economy and secure federal funding to support, we suggest the following amendments to SB 1420: Include renewable hydrogen as an eligible Renewable Portfolio Standard (RPS) resource. This language was removed from the bill and should be reconsidered; and incorporate additional concepts from existing law to streamline the permitting and California Environmental Quality Act (CEQA) review process for hydrogen production and delivery projects that meet specified criteria, to avoid lengthy processes that unnecessarily increase costs, legal fees, and administrative overhead for clean energy investments.

California's 2022 Scoping Plan Update supports more hydrogen capacity. Developing the Hydrogen Economy of the Future will allow for the decarbonization of hard to electrify sectors, including power generation, heavy-duty transport of goods and industrial uses.

These are important sectors of California's economy that must be part of the clean energy transition. Scaling up clean hydrogen production would reduce CO<sub>2</sub> emissions and improve air quality. Proactive development of hydrogen's production and delivery is a must for the California hydrogen economy to become sustainable and affordable for the end-user. We cannot let significant federal funding opportunities pass by because we are not bold enough in our efforts to support the development of energy infrastructure.

Sincerely,



Kristen Miller  
President & CEO  
Santa Barbara South Coast Chamber of Commerce