

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Gas Company (U 904 G), San Diego Gas & Electric Company (U 902 G), Pacific Gas and Electric Company (U39 G), and Southwest Gas Corporation (U 905 G) to Establish Hydrogen Blending Demonstration Projects.

A.22-09-006

**RESPONSE OF THE CALIFORNIA HYDROGEN BUSINESS COUNCIL TO THE JOINT AMENDED APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 G), PACIFIC GAS AND ELECTRIC COMPANY (U 39 G), AND SOUTHWEST GAS CORPORATION (U 905 G) TO ESTABLISH HYDROGEN BLENDING DEMONSTRATION PROJECTS**

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April 19, 2024

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**I. Introduction**

In accordance with the *Ruling On Responses/Protests To Amended Application And Prehearing Conference*, issued by Administrative Law Judge Zhen Zhang on March 12, 2024, the California Hydrogen Business Council (CHBC)<sup>1</sup> hereby provides its response to the *Joint Amended Application of Southern California Gas Company (U 904 G), San Diego Gas & Electric Company (U 902 G), Pacific Gas and Electric Company (U 39 G), and Southwest Gas Corporation (U 905 G) to Establish Hydrogen Blending Demonstration Projects* (“Joint Utilities’ Application”), filed on March 1, 2024. The CHBC supports and encourages the Joint Utilities’ initiative to demonstrate live hydrogen blending projects, progressing the clean energy transition in the state of California.

**II. Discussion**

The CHBC is supportive of this application because it is critical that California not only meet its own climate goals, but that it maintains a lead in decarbonizing the nation’s energy sectors, increasing demand for hydrogen and ultimately aiding in reducing costs overall. As noted by

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<sup>1</sup> The CHBC is comprised of over 130 companies, agencies, and individuals involved in the business of hydrogen. Our mission is to educate the public on the substantial benefits of hydrogen and to develop and advance policy positions that support the commercialization of hydrogen in the energy and transportation sectors to achieve California’s climate, air quality, and decarbonization goals. CHBC Members are listed here: <https://members.californiahydrogen.org/directory>.

Governor Newsom, “To achieve our world-leading climate goals we have to accelerate projects that will power our homes with clean energy...,”<sup>2</sup> and say ‘yes’ to projects that support the state’s goals of net-zero emissions. The California Air Resources Board (CARB), in their 2022 Scoping Plan, cites hydrogen as an energy and technology transition: “The solution will have to include transitioning existing energy production and transmission infrastructure to produce zero-carbon electricity and hydrogen, and utilizing biogas resulting from wildfire management or landfill and dairy operations, among other substitutes.”<sup>3</sup>

The CHBC encourages hydrogen blending demonstration projects such as those proposed by the Joint Utilities’ Application. For California to meet its goal of net-zero greenhouse gas emissions by 2045, the public and private sectors must work quickly to build out necessary decarbonizing infrastructure. As stated in a California Public Utilities Commission (Commission)-sponsored study, “...demonstration projects will allow critical knowledge gaps to be filled...it is critical to conduct real world demonstration of hydrogen blending under safe and controlled conditions.”<sup>4</sup> The Joint Utilities’ Application builds off of prior research and provides proof of concept while addressing core priorities of safety, system integrity, operability and reliability for the economical and safe use of blended hydrogen in the gas system. Establishment of their respective Hydrogen Blending Demonstration Project Balancing Accounts to support the build out of the hydrogen blending demonstrations is an essential step to developing a hydrogen pipeline network and a realizing a decarbonized gas system.

The California Alliance for Renewable Clean Hydrogen Energy Systems Hub is poised to receive up to \$1.2 billion from the United States Department of Energy (DOE). Approving the

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<sup>2</sup> See Office of Governor Gavin Newsom Press Release, *Governor Newsom Doubles Down on Building California’s Future to Achieve World-Leading Climate Goals* (September 19, 2023), available at: <https://www.gov.ca.gov/2023/09/19/governor-newsom-doubles-down-on-building-californias-future-to-achieve-world-leading-climate-goals/#:~:text=What%20Governor%20Newsom%20said%3A%20%E2%80%9CTo,communities%20from%20worsening%20extreme%20weather.%E2%80%9D>.

<sup>3</sup> CARB’s *2022 Scoping Plan for Achieving Carbon Neutrality*, p. 8, available at: <https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf>.

<sup>4</sup> UC Riverside, *Hydrogen Blending Impacts Study* (July 2022), pp. 5, 114, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M493/K760/493760600.PDF>.

Joint Utilities' Application will put California in an advantageous position and enhance the utilization of those hydrogen hub funds from the DOE.

### **III. Conclusion**

The CHBC appreciates the opportunity to provide a response to the Joint Utilities' Application. We thank the Commission for their consideration of this response and look forward to further collaboration with Commission leadership, staff, and stakeholders to build understanding of how hydrogen blending will help California to more quickly, cost effectively, and reliably achieve its climate, clean energy, and resilience goals.

Respectfully submitted,

Dated: April 19, 2024

/s/

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