

GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

April 5, 2023

The Honorable Jennifer Granholm Secretary of Energy 1000 Independence Avenue, SW Washington, D.C. 20858

Subject: Letter of Commitment for ARCHES. Department of Energy Funding Opportunity Announcement No. DE- FOA-0002779, Bipartisan Infrastructure Law: Clean Hydrogen Hubs.

Dear Secretary Granholm,

California has long been a leader in adopting the most ambitious air quality, climate, and energy efficiency policies in the nation. We are a nucleus for innovation, and at the forefront of zero-emission technology manufacturing and green economy jobs. These qualities make our state the ideal setting for a U.S. Department of Energy (DOE) Regional Clean Hydrogen Hub, which will accelerate the national hydrogen economy while creating tens of thousands of jobs and catalyzing significant additional private sector investment.

California's 2022 <u>Scoping Plan</u> outlines a roadmap to carbon neutrality by 2045 and identifies hydrogen as a key component of our decarbonization strategy. The Plan estimates we will need 1,700 times the amount of hydrogen available today to reach carbon neutrality while continuing to grow our economy. Delivering that kind of scale hinges on private capital—private capital that will be unleashed at scale by DOE investment.

Governor Newsom and our State Legislature tapped the Governor's Office of Business & Economic Development (GO-Biz) to lead California's state-wide hydrogen hub application because of our connection to the private sector – and to the businesses and job creators that will be essential to our efforts to reach our ambitious goals. We are well positioned to enable these industry partners to succeed—solving for permitting, policy, and funding issues and using implementation lessons to improve our policy environment. This all builds on our nearly decade-long track record of supporting the deployment of hydrogen projects and earning the trust of core market players, policy leaders and local officials.

We believe that hydrogen market success, at scale, requires sustained partnership across sectors. That's why we came together with organized labor, our University of California system, three national labs and Renewables 100 to cofound the Alliance for Renewable Clean Hydrogen Energy Systems (<u>ARCHES</u>) – an organization purpose built to deliver a robust and resilient renewable hydrogen market in California and beyond.



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ARCHES has grown to nearly 300 partners including local governments, community groups, nonprofits, and the private sector, all focused on the shared goal of creating a sustainable, clean hydrogen market with community engagement, public health improvements, environmental protection, and inclusive workforce development at its core.

As evidenced by the number of partners, the California-wide interest in a hydrogen hub is tremendous -- and the market signal a DOE investment would send would be invaluable to our efforts. We are incredibly proud of our application—the sectors and geography we would be able to impact, the 200,000 plus new jobs the investments would create, and a hydrogen cost and carbon intensity outcome that will prove that we can, in fact, build an economically sustainable renewable hydrogen hub in the United States. But none of this happens at the scale and timelines we are all counting on without DOE support.

As Governor Newsom's Senior Advisor and Director of GO-Biz, I am honored to serve on ARCHES' Board of Directors. Furthermore, GO-Biz is contributing in-kind staff time, led by our hydrogen policy lead and Senior Advisor for Clean Infrastructure & Mobility, Tyson Eckerle, to ARCHES to ensure our state hydrogen efforts enable the success of the hydrogen hub. Just like GO-Biz, ARCHES as an organization is set up to deliver—working with key stakeholders to ensure projects are implemented in a way that directly benefits communities.

We are eager to partner with DOE to deliver a multi-sector hydrogen hub that opens the door to a carbon free, growing economy, directly benefiting those most in need.

Thank you for your continued leadership.

Sincerely,

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