



## OFFICE OF THE GOVERNOR

August 3, 2023

Dear Director Myers,

Climate change is an existential threat that demands action. According to recent data, this July will be the hottest month ever recorded. To address these impacts and the growing threat of the climate crisis, last year I signed into law AB 1279 – establishing a legally binding, economy-wide carbon neutrality target. California's 2022 Scoping Plan charts our path to achieving this target.

A key component of the 2022 Scoping Plan is rapidly scaling up clean energy resources, including the production, conveyance, storage, and strategic consumption of clean, renewable hydrogen; we need to scale up the market 1,700 times by 2045 to meet our carbon neutrality goal.

Scaling this in California isn't just about addressing the climate crisis – it's also about creating hundreds of thousands of jobs and cleaning the air in our communities. It's about continuing to lead our country forward, building on our success in the zero-emission vehicle and clean electricity markets.

In response to transformational federal funding opportunities, and thanks to your leadership at GO-Biz and our ongoing partnership with the Legislature, we co-founded the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) to develop California's hydrogen ecosystem. It's an unprecedented collaboration of public, private, and nonprofit entities to leverage investments across sectors to accelerate this market at scale. To date, over 400 partners are actively contributing to the ARCHES initiative.

This initiative is another example of California's continued role as a pioneer, developing new markets for hydrogen that have to date been primarily focused on the transportation sector. Thanks to innovative policies and robust



investments, California has the world's largest retail hydrogen fueling station network, deploys the most hydrogen fuel cell electric buses in the country, and continues to lead the nation towards the commercial operation of Class 6-8 fuel cell trucks.

Building on the opportunities presented by the Bipartisan Infrastructure Law and Inflation Reduction Act, and our \$52.3 billion Climate Commitment, California will continue fostering hydrogen in transportation as well as other hard-to-decarbonize sectors of our economy.

To further position California's leading role in this emerging market, we need to organize our collective efforts to ensure all agencies and partners are moving in a shared, market-enabling direction.

I am directing GO-Biz to develop an all-of-government Hydrogen Market Development Strategy, similar to the Zero-Emission Vehicle Market Development Strategy your team published in 2021. The Strategy should be organized around our north star: **leverage hydrogen to accelerate clean energy deployment and decarbonize our transportation and industrial sectors**. The Strategy should be developed in consultation with state agencies – including the California Air Resources Board, the California Energy Commission, and the California Public Utilities Commission – and should:

- Build on our 2022 Scoping Plan while leveraging the upcoming SB 1075 hydrogen report and ARCHES' cross sector, multi-stakeholder hydrogen market white papers;
- Clearly define agencies' roles and responsibilities;
- Identify shared strategies to deliver projects, which may include new financing models, permitting modifications, and procurement initiatives;
- Engage relevant stakeholders, including local communities, to advance equity and deliver environmental and economic benefits;
- Leverage partner capabilities, including ARCHES, to advance these projects at scale to meet our policy objectives.

The who and how of project delivery is particularly important. We know that implementation – getting clean energy projects to break ground – is the key to success. This is why I signed Executive Order N-8-23 to establish a cabinet-level Infrastructure Strike Team dedicated to streamlining critical projects. In the Executive Order, I established eight specific workgroups – one of which is focused on hydrogen with GO-Biz as the lead entity. The Hydrogen Market Development Strategy should be developed as an output of this working group.

I thank you for your continued leadership and dedication to working with private and nonprofit stakeholders, communities, labor partners, the Legislature, our

world-class education institutions, and state agencies to build a resilient, equitable, and economically sustainable clean energy system in California. I look forward to continuing to work with you to accelerate California's transition to a clean energy future.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", with a long horizontal flourish extending to the right.

Gavin Newsom  
Governor of California