



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

June 17, 2024

The Honorable Anna Caballero
Member, California State Senate
1021 O Street, Room 7620
Sacramento, CA 95814

**RE: Senate Bill 1420 – OPPOSE UNLESS AMENDED
As Amended May 16, 2024**

Dear Senator Caballero:

On behalf of the Rural County Representatives of California (RCRC), we must regretfully oppose your Senate Bill 1420, regarding hydrogen production facilities, unless it is amended. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each member county.

Senate Bill 1420 streamlines permitting for hydrogen production facilities by allowing hydrogen generation facilities to qualify for: 1) CEQA litigation streamlining; and, 2) the new AB 205 California Energy Commission (CEC) opt-in permitting process for renewable energy and storage projects.

RCRC strongly supports your efforts to spur hydrogen generation and draw down over \$1 billion in federal funding and tax incentives; however, we strongly oppose the unrestricted expansion of the AB 205 opt-in permitting program to all hydrogen generation facilities. Hydrogen can play a role in decarbonizing hard-to-electrify sectors and improving rural economies; with that, the AB 205 process usurps local permitting authority on major projects that could have significant impacts on local jurisdictions.

Local governments are invested with authority over local land use decisions and permitting. Unfortunately, the AB 205 process usurps that authority by allowing the CEC to issue permits even over local objections. Local governments are best suited to make these decisions because they know the communities impacted; are tasked with balancing competing land use and are situated closest to those residents and communities that will be impacted by the projects. In the local permitting process, local decision makers can identify and compel mitigation of the project's impacts on the affected community. SB 1420 takes these crucial responsibilities away from local governments and hands them

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to the CEC, which is far removed from being held accountable by impacted residents. That process also allows the CEC to bypass local standards, ordinances, and laws.

Considering that many of our local governments are supportive of hydrogen production, it is very disappointing that this measure seeks to bypass them altogether. RCRC understands the tight construction timelines facilities face to qualify for federal funds and tax incentives and that the AB 205 process may help project developers meet those deadlines; however, there is no need to override local jurisdictions in that process.

To address these concerns and ensure that the project in question is supported by the host jurisdiction, we strongly suggest conditioning a project's eligibility for the AB 205 opt-in permitting process upon the adoption of a letter in support of the project by the jurisdiction in which the project will be located, as follows:

25545(b)(6)(A) A qualified clean hydrogen project.

(B) For purposes of this section, a "qualified clean hydrogen project" means a hydrogen production facility and associated onsite storage and processing facilities that create hydrogen, for which a letter of support has been adopted at a public meeting by the governing body of the local government in whose jurisdiction the project will be located, and which meets meeting either of the following criteria:

(i) Hydrogen that is not derived from fossil fuel feedstocks and is produced through a process that results in a well-to-gate lifecycle greenhouse gas emissions rate of not greater than four kilograms of carbon dioxide equivalent per kilogram of hydrogen and that has a carbon intensity that is less than or equal to the annual average carbon intensity of the electricity from the California electrical grid, as determined by the State Air Resources Board.

(ii) An electrolysis project using renewable energy resources derived from biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, in a manner that does not result in resource shuffling in the electricity sector, as determined by the State Air Resources Board.

For these reasons, we must regretfully oppose your SB 1420 unless amended as suggested above. With adoption of these amendments, RCRC we be pleased to remove our opposition and support the bill. If you should have any questions, please do not hesitate to contact me at jkennedy@rcrcnet.org.

Sincerely,



JOHN KENNEDY
Senior Policy Advocate

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cc: The Honorable Bob Archuleta, California State Senate
The Honorable Bill Dodd, California State Senate
The Honorable Josh Newman, California State Senate
The Honorable Cottie Petrie-Norris, Chair, Assembly Utilities and Energy
Committee
The Honorable Isaac Bryan, Chair, Assembly Natural Resources Committee
Members, Assembly Utilities and Energy Committee
Members, Assembly Natural Resources Committee
Laura Shybut, Chief Consultant, Assembly Utilities and Energy Committee
Lawrence Lingbloom, Chief Consultant, Assembly Natural Resources Committee
Gino Folchi, Consultant, Assembly Republican Caucus Office of Policy and Budget
Casey Dunn, Consultant, Assembly Republican Caucus Office of Policy and
Budget