



January 13, 2023

Rachel Machi Wagoner
Director, Department of Resources Recycling and Recovery
P.O. Box 4025
Sacramento, CA 95812-4025

Re: Support Letter for Consideration of a Technology Determination for H Cycle Pursuant to Article 2 of the SB 1383 Regulations

Dear Director Wagoner,

The Green Hydrogen Coalition is an educational 501(c)(3) non-profit organization focused on accelerating the adoption and use of green hydrogen to accelerate economy-wide decarbonization and combat climate change. Green hydrogen is a safe, non-toxic, greenhouse gas emission-free, globally traded commodity that – when produced from renewable and carbon-free sources – can decarbonize hard-to-abate sectors, including heavy-duty transportation, firm dispatchable power, industrial processes, shipping, and aviation.

As a mission-driven non-profit, the GHC is supportive of all decarbonization solutions that will advance a clean and just energy transition. Achieving the ambitious goal of displacing all fossil fuels will take an all-hands-on-deck approach.

We are writing to address the important topic of new and innovative pathways for compliance with California’s Short-Lived Climate Pollutants Waste Reduction Regulations – SB 1383.

SB 1383 is a critical part of achieving California’s climate goals by diverting organic waste from our landfills and reducing or preventing the release of harmful greenhouse gases like methane into our atmosphere – something we know is a local, regional and global problem.

The Article 2 process has been a fundamental part of SB 1383 since being signed into law in 2016. Article 2 is a mechanism for innovative technologies for organic waste diversion to be included under SB 1383 as compliance pathways if these non-traditional pathways divert organic waste from landfills AND reduce greenhouse gas emissions as much as the benchmark pathway of composting. H Cycle is an important part of this Article 2 conversation, and the Company’s role is complementary to composting, and anaerobic digestion as the State works to achieve its climate goals.

H Cycle is making renewable hydrogen as the output of its process; thus, the approval of this pathway addresses a second of California’s major climate goals related to transportation emissions. H Cycle’s renewable hydrogen will be used in many aspects of the advanced clean fleet program to offset diesel emissions from heavy-duty freight – one of the most impactful and beneficial uses of renewable hydrogen to reduce local, regional and global air emissions.

The Company’s local benefits go beyond reducing air pollution. Every H Cycle facility will be using local and regional waste, developing local renewable fuels, providing good-paying jobs with benefits, and investing in underserved communities that would benefit most from the stimulus envisioned by California’s commitment to green economic development. Furthermore, the H Cycle process addresses the destruction of PFAS (per-and polyfluoroalkyl substances), a growing



problem in California. The Company has several projects in development in California communities that will benefit from these features, and there is strong feedback from municipalities, waste processing companies, and fleet operators about their interest in the Company's efforts.

As you know, organic waste is often commingled with other materials and presents a challenge to all parties tasked with compliance and implementation of SB 1383. Sorting and separating processes are imperfect, and H Cycle would like nothing more than to receive pure organic waste streams. As documented by Staff in its analysis of H Cycle's Article 2 application, H Cycle has committed to invest in additional on-site feedstock processing to minimize any impurities that enter its feedstock streams. CalRecycle staff is to be commended for including a worst-case scenario in its analysis, and the public should be encouraged that H Cycle will still provide "better-than-benchmark" greenhouse gas reductions required by SB 1383 in all cases.

Thank you for your thoughtful consideration of H Cycle's application. **We encourage you to support H Cycle's innovative compliance pathway under Article 2 of SB 1383.**

Sincerely,

Nicholas Connell
Policy Director
Green Hydrogen Coalition
Tel: 949-558-1305
Email:
nconnell@ghcoalition.org