


BOARD MEETING DATE: July 10, 2015

AGENDA NO. 6

PROPOSAL: Amend Contract to Provide Additional Funding for Hydrogen Fueling Station Demonstration 

SYNOPSIS: The Board previously approved a contract with Linde, LLC, for \$250,000 to design and build a hydrogen station in Laguna Niguel. Subsequently, due to the inability to come to an agreement with site owners, a new site in Orange County was identified for the hydrogen station. The permitting requirements for the new site, however, have increased costs by \$160,000. To ensure the station moves forward, Linde, LLC has requested additional funds to equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31).

COMMITTEE: Technology, June 19, 2015; Recommended for Approval.

RECOMMENDED ACTION:

Authorize the Chairman to amend a contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration in an amount not to exceed \$80,000 from the Clean Fuels Fund (31).

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:FM:JI

Background

A contract was previously executed with Linde, LLC, in the amount of \$250,000 to provide hydrogen fueling at an existing station in Laguna Niguel. However, Linde was unable to execute an agreement with any station owner at various sites within the City.

Subsequently, Linde was able to identify a new site in Orange County that met CEC requirements as well as satisfied SCAQMD project objectives by being in proximity of the fuel cell vehicle cluster in Irvine, thus filling a gap in availability of hydrogen in Southern California as part of the California Hydrogen Highway Network.

Proposal

The permitting requirements at the new hydrogen station site have increased project costs significantly over Linde’s original estimated project costs. These additional costs include relocation of a transformer and aesthetic requirements being imposed by the local jurisdiction. To ensure the station moves forward, Linde has requested the SCAQMD equally share the higher costs. This action is to amend the contract with Linde, LLC, to provide additional funding for the hydrogen fueling station demonstration.

Benefits to SCAQMD

SCAQMD’s Clean Fuels Program has been active in funding the development and demonstration of low-emission, hydrogen fuel technologies within its Technology Advancement Office. Hydrogen vehicles and refueling stations are necessary to comply with the ZEV regulation to reduce criteria pollutant emissions. The development of an extensive hydrogen fueling network in Southern California will accelerate the deployment of these cleaner vehicles. Specifically, the proposed project leverages existing activities included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under “Hydrogen and Fuel Cell Technologies and Infrastructure.”

Resource Impacts

The total cost for this project was originally estimated to be \$2,732,177, of which SCAQMD’s cost share was \$250,000 (9%), Linde’s was \$433,043 (16%) and \$2,049,134 was provided by CEC (75%). SCAQMD’s cost-share for this amendment shall not exceed \$80,000 from the Clean Fuels Fund (31). Linde, LLC, will provide the balance of the estimated \$160,000 cost increase as outlined in the table below.

Funding Partners	Funding Amount	Funding (%)
Linde, LLC	\$80,000	50
SCAQMD (<i>requested</i>)	\$80,000	50
Total	\$160,000	100

With the amendment, the revised total project cost is estimated to be \$2,892,177, of which SCAQMD’s cost-share shall not exceed \$330,000 (11% of revised total project costs); and Linde’s cost-share, \$513,043 (18% of revised total project costs).

Sufficient funding for this proposed project is available from the Clean Fuels Fund, established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5

and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.