

State of Connecticut

Raised Senate Bill 104, An Act Concerning the Hydrogen In Economy

Public Policy Position Statement

Connecticut Hydrogen-Fuel Cell Coalition

Administered by

Connecticut Center for Advanced Technology, Inc.

February 22, 2006

CONNECTICUT HYDROGEN FUEL CELL COALITION **POSITION STATEMENT**

The Connecticut Hydrogen-Fuel Cell Coalition (“CHFCC”), administered by the Connecticut Center for Advanced Technology, Inc. (CCAT), offers this position paper to the general public as it relates to Raised Senate Bill 104, An Act Concerning the Hydrogen In Economy.

First and foremost, the policy of the State to support hydrogen and fuel cell technology is well supported. The legislative decision to support the hydrogen and fuel cell industry is appropriate because the hydrogen and fuel cell industry is a key industry that contributes to the economy of the State of Connecticut. The use of hydrogen and fuel cell technology supports manufacturing and economic development activities in the State, and therefore State support for fuel cell and hydrogen technology is justified.

Economic indices, developed in conjunction with the hydrogen and fuel cell industry, with assistance from the Connecticut State Department of Economic and Community Development (“DECD”), suggest that the hydrogen and fuel cell industry can be an emerging economic cluster. Currently, the hydrogen and fuel cell industry contributes to the State’s economy by providing approximately 1,000 jobs associated with research and development, and the manufacture of equipment; approximately \$29 million annually in State tax revenue; approximately \$2 million annually in local tax revenue; and over \$340 million annually in gross State product. The economic value of this industry should not be underestimated or taken for granted in that this industry is the envy of many other states that continually develop incentives to encourage relocation away from Connecticut.

The use of hydrogen and fuel cell technology is a viable resource for the production of electric energy in load pockets. In addition, the hydrogen and fuel cell technology is well defined as a Class 1 renewable resource as an emerging renewable energy bridge technology and is therefore consistent with the public’s trust in the definition of renewable energy. With strategic guidance, these applications using hydrogen and fuel cell technology would improve efficiency, reduce consumption of fuel, and improve the environmental profile for energy production. Fuel cells and hydrogen technology offer the following benefits:

- Fuel cells and hydrogen technology are clean and nearly emission free.
- Fuel cells and hydrogen technology are efficient, will conserve on fuel costs, and can reduce the import of foreign oil.
- Fuel cells operating on natural gas will be a bridge that can lead to widespread use of renewable fuels including methane or ethanol from biomass, and hydrogen produced by solar and wind energy.

- Fuel cells and hydrogen technology can help to provide uninterrupted power to critical load centers without the need to build and rely on electric transmission lines, and can improve transportation efficiency.
- The strategic placement of hydrogen and fuel cell technology in the State can reduce Federally Mandated Congestion Charges.

The CHFCC is supportive of legislation that increases the opportunity for the manufacture of hydrogen and fuel cell equipment in the state. Raised Senate Bill 104 provides support and such opportunities; however, the CHFCC is uncertain as to what value and/or effect the one percent sales tax will have on the production and sales of hydrogen and fuel cell equipment in the state. Further, the CHFCC is concerned that this important legislation is moving forward without having the CHFCC represented in the process as the voice for the collective industry. The CHFCC has reached a consensus that a comprehensive and long-term Hydrogen Roadmap would be the best strategy for the State to adopt for long-term guidance, commitment, and investment to support the hydrogen and fuel cell industry in Connecticut. The CHFCC believes that such an approach should have manageable goals and targets for applications that include potential development in state buildings, communications systems, homeland security facilities, refueling stations, and transportation systems. The CHFCC will make itself available upon request from the legislature to assist in the strategic development of the Connecticut Hydrogen Roadmap.

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