

# RECHARGE

January 12, 2022

## California targets offshore wind and green hydrogen in \$2bn budget for 'existential climate fight'



A firefighter battles the Alisal fire along the 101 Freeway near Goleta, Calif. in October 2021. Photo: Luis Sinco/Los Angeles Times via Getty Images

*'No one more committed' claims governor, as state also eyes measures to support energy storage and EVs*

By **Richard Kessler**

Governor Gavin Newsom's latest California budget plan includes \$2bn to promote development of green hydrogen, long-duration energy storage, offshore wind and other energy transition initiatives.

"No one else is committed to doing more in this space," claimed Newsom, referring to climate change, which he listed among the "greatest existential threats" facing the state and will require measures that include a "diverse portfolio of new clean energy technologies to be developed and deployed as quickly as possible".

He added: "We have the capacity to invest in our growth engines, invest in the future, as well as making sure that we prepare for the uncertainties that the future presents." California expects to have a \$46bn budget surplus in fiscal year 2021-22 through 30 June.

California's floating wind future finds focus as governor signs bill for 4GW plan

[Read more](#)



Newsom's \$286.4bn **Blueprint California** proposal for 2022-23, now sent to the legislature for approval, earmarks \$100m to advance green hydrogen use and production. "Green hydrogen is critical to the decarbonisation of California's economy and achieving carbon neutrality," according to a summary of the budget released by his office.

Another \$380m will enable investments in long-duration storage projects that would come online through 2023 to support electric grid reliability. This capacity expansion will help with resilience in the face of emergencies, including wildfires, such as those that gripped the south of the state last year and have been linked to climate change.

It will also enable a "decarbonised complement to intermittent renewables, which will provide the state with additional energy storage options during periods of low renewable power availability," said the summary.

### Offshore wind facilities plan

Newsom is also proposing the state invest \$45m to create an Offshore Wind Energy Deployment Facility Improvement Programme. This initiative will plan development of facilities that advance California's capabilities to deploy floating projects in federal waters along its central and northern coasts.

In November, President Joe Biden's administration **aims to sell lease acreage that could support up to 3GW** of generation capacity off the state.

The budget proposal further earmarks \$210m to accelerate industrial sector decarbonisation at more than 40,000 facilities in the state, who would be eligible for grants for the purchase and deployment of commercially available advanced technologies and equipment for this purpose.

Another \$85m in funding will go to reduce emissions and install renewable energy technologies at food production plants, and more than \$960m to help decarbonise buildings through retrofits.

Separately, Newsom is asking the legislature for \$6.1bn **over five years** to incentivise the purchase of electric buses, cars, and trucks, along with 100,000 new electric charging stations, and a further \$4.2bn over two years for high-speed rail and transit. The transportation sector is now the largest source of greenhouse gas emissions in the state after closure of various power plants that used coal or natural gas as fuel. In 2020, Newsom signed an executive order that set a 2035 deadline to phase-out the sale of car and light-duty trucks that use petrol.