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### **CEEEP ISSUES GROUNDBREAKING STUDY ON OPPORTUNITIES FOR NEW JERSEY TO DEVELOP HYDROGEN AS ALTERNATIVE FUEL**

**NEW BRUNSWICK, N.J.** – New Jersey can be a leader in commercializing the use of hydrogen fuel, but should first undertake five steps to help policymakers determine whether or not it is in the state’s interest to pursue hydrogen as part of its energy policy, according to recommendations in a report issued today by The Center for Energy, Economic and Environmental Policy (CEEEP).

Funded by The Fund for New Jersey and the state Board of Public Utilities (BPU), the report, “New Jersey: Opportunities and Options in the Hydrogen Economy,” found that six states, including New York and Connecticut, are actively developing hydrogen initiatives as part of their state energy plans. Hydrogen is viewed by proponents as a viable clean energy alternative to dwindling fossil fuel reserves; detractors say hydrogen is an unproven and costly distraction from more established energy sources.

“New Jersey could indeed prove fertile ground for developing hydrogen fuel and the required infrastructure, either as a leader or by taking innovations made by others and evolving them into commercial successes,” said CEEEP Director Scott Weiner. “But policymakers need to decide whether or not New Jersey should act on those opportunities. Our new report offers a strategy to help them get the answers.”

The report is the first by CEEEP, a research center within the Edward Bloustein School of Planning and Public Policy at Rutgers, The State University of New Jersey.

The CEEP report recommends:

1. The state should follow the lead of the U.S. Department of Energy and other states by creating a Hydrogen Vision and Roadmap that lays out a framework for the public and private sectors to develop policy recommendations for the Governor and the Legislature. The Vision and Roadmap would help the state decide whether or not to assume a leadership role.
2. The Governor should convene a Hydrogen Policy Working Group consisting of senior officials from the BPU, Economic Development Authority, departments of environmental protection and transportation, and the Commerce and Economic Development Commission to review the policy implications from taking a lead or adaptive approach to hydrogen energy.
3. The BPU's Office of Clean Energy should support hydrogen and fuel cell demonstration projects. Also, state government should utilize fuel cells in state buildings and a portion of the state vehicle fleet as demonstration projects.
4. The BPU's Office of Clean Energy should create a Hydrogen Learning Center to serve as the focal point for public education and outreach to all stakeholders. Through the Learning Center, policymakers would become equipped with the knowledge to decide whether or not to commit New Jersey to pursuing hydrogen.
5. The state should expand its basic and applied research programs at New Jersey's universities to overcome technical barriers to hydrogen fuel and infrastructure deployment. Regardless of how active a role New Jersey ultimately chooses with hydrogen energy, such research into alternative energy sources should be supported.

Hydrogen fuel cells generate emission-free electricity and can be produced domestically. However, the hydrogen fuel itself must be produced utilizing other energy sources, such as nuclear, coal, gasoline, renewable energy, propane or natural gas. Hydrogen can be used to heat buildings, power cars or operate devices such as laptop computers or cell phones.

Hydrogen was identified as a key component in future federal energy policy in the National Energy Policy (NEP) released by President Bush in May 2001. The President subsequently proposed \$1.7 billion over five years to develop hydrogen-powered fuel cells, hydrogen infrastructure and advanced automotive technologies. A number of states, including New York and Connecticut, have provided public funding and tax breaks to support hydrogen fuel development.

The CEEEP report found New Jersey has no hydrogen policy. However, the state has undertaken a number of demonstration projects and created financial and technical assistance programs to foster development of alternative energy sources, such as hydrogen.

About a third of energy consumption in New Jersey involves transportation, higher than the national average, and petroleum accounts for nearly half of all the energy used, making the state particularly vulnerable to changes in petroleum supplies and prices. Per capita energy consumption in New Jersey is higher than in California, New York, Massachusetts or Florida.

New Jersey ranks among the top 10 states for investment in research and development, due in large part to its pharmaceutical industry, and is home to large numbers of scientists and engineers. The state also is home to a strong nucleus of academic institutions, including Rutgers, Princeton University, New Jersey Institute of Technology, the University of Medicine and Dentistry and Stevens Institute of Technology.

The CEEEP study concluded that, “The decision whether to act upon this opportunity will require further analysis of a number of issues, including likely environmental impacts, prospects for economic development, and an assessment of other policy initiatives that will compete for the attention and resources of the state.”