Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 804 (Archuleta) – As Amended June 27, 2025

Policy Committee:	Utilities and Energy	Vote:	18 - 0
	Emergency Management		7 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill directs the Office of the State Fire Marshal, by January 1, 2028, to establish "dedicated hydrogen pipeline" safety standards and enforce those standards consistently across all jurisdictions of the state.

Specifically, this bill:

1) Defines a "dedicated hydrogen pipeline" as one that has been constructed, or has undergone a major retrofit, on or after the effective date of the safety standards established by the Fire Marshal pursuant to this bill, for the purpose of transporting hydrogen gas, and directs the Fire Marshal to adopt a percentage of hydrogen gas by volume—but, in any case, greater than 90%—carried in a pipeline for the purpose of identifying those pipelines that meet this bill's definition of a "dedicated hydrogen pipeline."

2) Requires the owner of a dedicated hydrogen pipeline to maintain accurate operational records of hydrogen concentration levels within the dedicated hydrogen pipeline and any confirmed instances of leakages of hydrogen and, by March 30 of each year, submit a report to the Fire Marshal detailing its compliance with the safety standards for the prior year.

FISCAL EFFECT:

This bill requires significant new analytical and regulatory work of the State Fire Marshal, within the Department of Forestry and Fire Protection (CAL FIRE), to develop and implement a new regulatory and enforcement regime for hydrogen-carrying pipelines. This work falls outside the existing scope of pipeline regulatory work the Fire Marshal currently performs. For this reason, the Fire Marshal suggests the work required by this bill might better be assigned to the California Public Utilities Commission (CPUC), as the CPUC regulates intrastate gas pipelines. In any case, costs to Cal FIRE will likely be in the hundreds of thousands of dollars, or more, to implement the bill.

CAL FIRE estimates implementation will require $2.1 million in year one, $2.8 million in year two and $2.7 million annually thereafter (General Fund). These cost would cover ten positions—a person in a Career Executive Assignment (CEA), two safety engineers, one supervising safety engineer, two administrative managers, three administrative analysts and a research data specialist. CAL FIRE warns it would likely not receive these resources until passage of the Budget Act of 2026, which means CAL FIRE would not be able to begin implementing the bill until six months after its effective date.

COMMENTS:

1) **Purpose.** According to the author, hydrogen is "poised to play a pivotal role" in the state's transition to clean energy; however, the author asserts, "the state's regulatory framework for pipeline safety has not kept pace." The author intends this bill to "establish clear, enforceable safety standards tailored to hydrogen pipelines" so that California manages what the author describes as "the unique risks of hydrogen infrastructure" while "enabling continued investment."

2) **Background.** California is pushing to eliminate the emissions of greenhouse gases from its economy. Many expect, as part of that effort, the state to become increasingly reliant on the use of hydrogen. For example, the Air Resources Board, in its latest scoping plan to achieve statutorily required reductions of emissions of greenhouse gases, estimates the state will need to increase its current supply of hydrogen by approximately 1,700 times.

   One of the primary ways to move hydrogen is by use of a pipeline, such as those used to move natural gas. However, the characteristics of hydrogen make it unsafe to move hydrogen through pipelines designed to carry natural gas, causing, in some circumstances, embrittlement and leaks.

   In California, the CPUC and the Fire Marshal both regulate the safety of pipelines located wholly within California. Consistent with agreements with the federal Pipeline and Hazardous Materials Safety Administration (PHMSA), the CPUC regulates pipelines used to carry gas, meaning natural gas or liquid gasoline fuel, while the Fire Marshal regulates pipelines used to carry hazardous liquids.

   Earlier versions of this bill tasked the CPUC will developing safety standards for dedicated hydrogen pipelines. This approach seems consistent with CPUC's existing jurisdiction over gas pipelines, as hydrogen, generally, is a gas. However, the current version of the bill assigns responsibility for developing safety standards for dedicated hydrogen pipelines to the Fire Marshal, which regulates hazardous liquid pipelines, not gas pipelines.

   Earlier versions of this bill were supported by the California Pipetrades Council and the Environmental Defense Fund (EDF), the latter of which described federal efforts to regulate hydrogen-carrying pipelines as having "not fully kept pace with technological advancements or the specific requirements of hydrogen infrastructure" and lauding this bill as one that "addresses this regulatory gap." However, the support letters of both organizations reference the bill's assignment of hydrogen-carrying pipelines to the CPUC, which the bill did when those letters were written. It is not clear whether the Pipetrades Council or EDF support the current version of the bill.

   There is no opposition registered against this bill.

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