

# TESTIMONY

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SAL RISALVATO

Executive Director

New Jersey Gasoline-Convenience-Automotive Association



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SUPPORT

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## Testimony of Sal Risalvato

Chairman Zwicker, members of the Committee, my name is Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA), here representing hundreds of motor fuel retailers across this state.

As many of you will recall, I was here to testify during the Joint Committee hearing on this subject in October, and I am pleased to see you are following up that successful hearing with legislation. The Task Force created by this bill will serve as a great tool to do the research and lay the groundwork to help fuel cells see the breakthrough into the wide economy that all of us want them to have.

One of the hurdles in rolling out hydrogen fueling has simply been that so many regulators, particularly at the local level, are unfamiliar with the technology, how it operates, and what they need to know from a safety perspective. This Task Force could be a great tool in making it easier and easier for them to become properly informed.

It can also study what needs to be done from a public policy perspective to enhance fuel cell usage. For example, I think it would be extremely worthwhile to know how many stations would need to be opened in the state to eliminate “range anxiety” for fuel cell vehicles. Currently, the millions of motor vehicles in this state are fully serviced by just 2,400 gas stations. Given the number of stations which are in very close proximity to each other, it is clear that in theory the state could be serviced with less, perhaps significantly less. Even though the construction cost of each individual hydrogen fueling station is very high (especially when compared to an EV battery charging station), it may also be true that the total number of stations which are needed is significantly less, meaning the total investment needed might actually be smaller. Whether the state “needs” 300 locations or 1,500 would make a big difference to the long term feasibility of fuel cell vehicles, and I think this Task Force might be a good way to determine that.

I hope that I and my organization will be able to assist this Task Force. The only way that a new form of transportation fueling will be successful is if it makes business sense, and NJGCA is a repository of expertise in this regard, which I believe could be of great benefit. As of yet I have not been successful identifying retailers willing to gamble and risk the financial capital necessary to take the plunge in to the hydrogen marketplace. The chicken and egg dilemma remains a difficult burden to overcome. Perhaps this task force will help me urge more forward thinking members to exert leadership in the marketplace.

I believe that my members can and in fact must be a part of the clean energy transportation revolution that so many believe is coming, and I look forward to working with you, the Legislature, and other stakeholders to make this future a reality. In truth for the last several years our

organization has worked to promote to our members the idea that in order to invest in the future of their business they must invest in alternative energy. The forces of disruption have affected every industry out there, and fueling our vehicles is no exception.

Over the last decade that I have been leading this association, I have consistently told my membership that they should not think of themselves as being in the gasoline or petroleum business; after all they are in the motor fuel business, and it just so happens that for right now (and for the past decades) the only motor fuels demanded by the motoring public were petroleum products. I have instead asked my members to think of the future and to instead think of themselves as being in the **‘Transportation Energy Business’**.

While it’s true that much of the hydrogen in industrial use now comes from natural gas, so does most of the electricity that will be going into a BEV from any charging device. Just as that natural gas can eventually be replaced with a cleaner source, so too can solar power be used to create hydrogen fuel.

This biggest hurdle that has prevented hydrogen from breaking into the marketplace is the high initial investment. Motorists don’t want to invest in such vehicles because there is nowhere for them to reliably fill up, and businesses don’t want to invest in refueling technology because there aren’t any motorists around to take advantage of it. This is the proverbial chicken-and-egg problem that I just mentioned. Having a dedicated group to study ways to break out of this conundrum will be of great benefit to the state.

NEW JERSEY GASOLINE ▶ C-STORE ▶ AUTOMOTIVE ASSOCIATION

As these Committees continue to work on these issues, I ask that you continue to involve this association. I am happy to work constructively to ensure the best fueling infrastructure possible. Our association’s motto is *Serving the Small Businesses that Serve the Motorist*, and we look forward to continuing to serve them for a long time to come.

Thank you.