Agenda Report

November 10, 2026

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: **ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST PUBLIC HYDROGEN AUTHORITY JOINT POWERS AUTHORITY AGREEMENT FOR ACCESS TO RENEWABLE HYDROGEN FUEL PROGRAMS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and

2. Adopt a Resolution authorizing the City Manager to execute an agreement to join the First Public Hydrogen Authority, a California Joint Powers Authority, as a Member.

BACKGROUND:

First Public Hydrogen Authority (FPH2) is a California Joint Powers Authority that aggregates hydrogen demand across public agencies in California. Through market aggregation, FPH2 combines the purchasing volume of multiple public agencies to secure lower commodity pricing than individual agencies can obtain through standalone, procurements, while advancing the availability of renewable hydrogen.

Joining FPH2 establishes the City's membership status, enabling Pasadena Transit to participate in procurement planning, technical committees, and the evaluation of future fuel offers developed through aggregated purchasing. FPH2 does not assess membership dues or require upfront financial contributions from member agencies. The operational and staffing costs are sustained through programmatic fees within the non-profit fuel pricing structure. Under the FPH2 structure, each participating agency executes an independent, supply agreement, ensuring that financial and operational supply obligations and liabilities are strictly isolated and not shared among member agencies.

Joining FPH2 would not commit the City to purchase hydrogen or approve a specific price or volume. Any future fuel-supply agreement would be presented separately to the City Council for consideration.

In alignment with the City's conservation and sustainability initiatives and in compliance with the California Air Resources Board (CARB) Innovative Clean Transit (ICT) Regulation, the City continues to advance its transition to 100% zero-emission buses (ZEBs). On January 30, 2023, the City Council adopted the Pasadena Zero Emission Bus Rollout Plan (Rollout Plan), which outlines the phased approach to transitioning the entire Pasadena transit fleet to zero-emission buses by 2037. The current plan includes fuel-cell electric and battery-electric buses to support the operating needs of Pasadena Transit and Pasadena Dial-A-Ride. The City anticipates updating the Rollout Plan within the next 18 months to reevaluate the application of both technologies across its services, including the potential use of additional battery-electric buses on fixed routes.

Pasadena has purchased 17 hydrogen fuel-cell electric buses (FCEB) to replace aging renewable natural gas vehicles that have reached the end of their useful life. The new buses are expected to enter service in 2027 and combined with the existing battery-electric bus currently in service, they account for 46% of the Pasadena Transit fixed route fleet. The City is also currently developing a permanent hydrogen fueling station to allow for fleet fueling. The facility and buses require a dependable renewable-hydrogen supply. Joining the FPH2, a California Joint Powers Authority (JPA), would allow Pasadena to combine its anticipated demand with other public agencies, participate in procurement planning and technical committees, and evaluate future fuel offers developed through aggregated purchasing.

Three-Phase Fueling Strategy

While the 17 FCEBs are actively being delivered and anticipated to be in revenue service in spring 2027, construction and commissioning of the permanent Hydrogen Fueling Station is projected for completion in late spring 2029. To ensure that the City's new zero-emission fleet is tested, commissioned, and placed into public transit service without delay, the Department of Transportation has established a structured three-phase fueling plan:

- **Phase 1: Vehicle Commissioning, Testing, and Training (Early Winter 2026 to Spring 2027).** Following completion of bus delivery in early winter 2026, a six-month commissioning period is required to prepare the vehicles for revenue service, including driver and maintenance training, and on-road testing. During Phase 1, the City is establishing an interagency agreement with Foothill Transit to fuel at their existing hydrogen fueling facility in Pomona.

- **Phase 2: Interim Revenue Service Fueling (Spring 2027 to Spring 2029).** Upon completion of vehicle commissioning, the 17 FCEBs are anticipated to provide revenue service prior to the completion of the permanent Hydrogen Fueling Station. Staff is actively evaluating interim fueling logistics with regional partners, including potential expanded interagency arrangements and potential fuel procurement made possible through an FPH2 membership, subject to City Council approval of a future

supply agreement.

- **Phase 3: Permanent Station Operations (Spring 2029 Onward).** Once construction and commissioning of the City's permanent Hydrogen Fueling Station is completed, the FPH2 membership will enable the City to enter into an agreement for direct bulk deliveries of green liquid hydrogen to the station, subject to City Council approval of a future supply agreement.

Membership Benefits

A central benefit of the proposed agreement is its shared-savings provision. As FPH2 expands its statewide purchasing pool and brings new renewable production facilities online, participating agencies share directly in declining commodity costs. Staff and FPH2 will meet regularly to review market pricing, green supply availability, and volume requirements, with price reductions documented through contract addenda. This framework provides downward price flexibility as the clean hydrogen market matures while maintaining contract price caps to protect the City from market volatility. Current members of the FPH2 JPA include the City of Lancaster, the City of Industry, City of Shafter, City of Fresno, City of Montebello, North County Transit District and Rowland Water District.

A priority for the City and the community is ensuring that the hydrogen fueling Pasadena Transit's fleet is produced from clean, renewable resources such as solar energy. To establish a verifiable green supply pool, FPH2 issued a supplier solicitation in July 2026 and received 19 proposals using renewable production pathways, including solar-powered electrolysis and renewable organic-waste processes. Proposed liquid-hydrogen pricing ranged from $8 to $12 per kilogram. These proposals indicate supplier interest but do not constitute an executed price or guaranteed supply for Pasadena; final terms would be presented in a future agreement.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the adopted Zero Emission Bus Rollout Plan, supports the City's Climate Action Plan (CAP), and is consistent with the City's Top Priorities to move Pasadena decisively toward a carbon-free future. All three prioritize strategies to reduce greenhouse gas emissions and transition municipal operations to clean, renewable energy sources. Authorizing this FPH2 JPA agreement advances the fuel-procurement planning needed to operate the 17 fuel-cell electric buses already authorized by the City Council while maintaining fiscal stability through aggregated public-sector pricing.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The proposed action to enter into this JPA would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a

"project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

There is no fiscal impact with this action. Membership does not authorize a fuel purchase or obligate the City to a specific price or volume. Following initial vehicle testing and the finalizing of fueling logistics, staff will return to the City Council to recommend a fuel supply agreement containing pricing and volume terms before an expenditure is authorized.

Respectfully submitted,

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