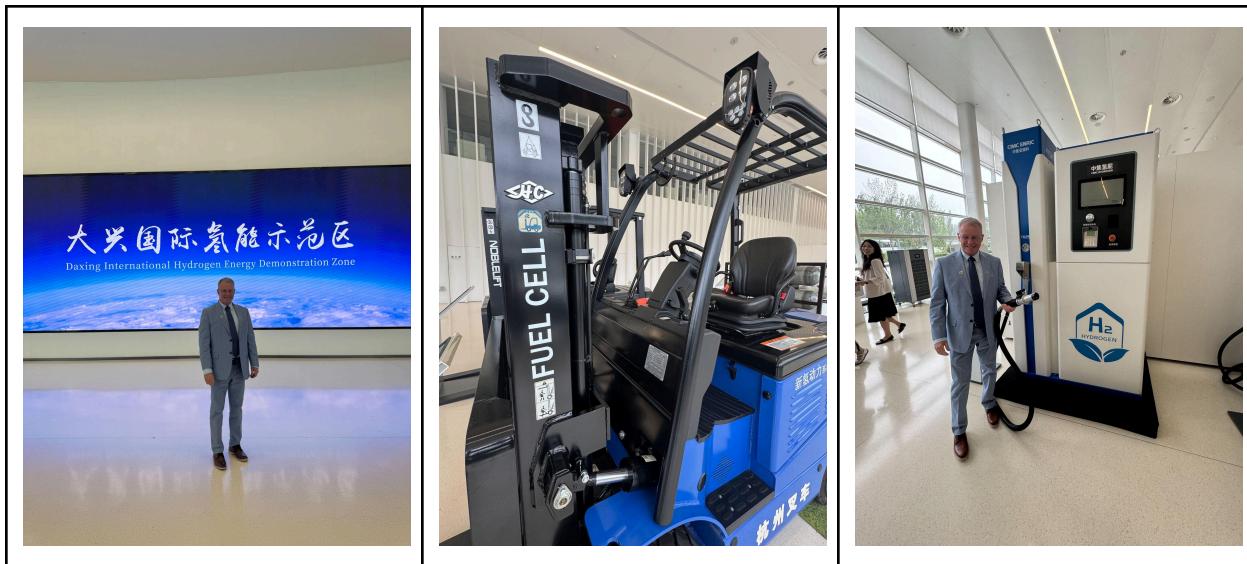




## Impressions from Participating in the SMI China Tours, Supply Chain Expo & CEO Forum

*Tom Hobby – CEO, Yosemite Clean Energy*



### Tour of the Daxing International H2 Energy Demonstration Zone

One of the highlights of the SMI China Tour for me, as CEO of Yosemite Clean Energy—a hydrogen biofuels company—was the visit to the Daxing International H2 Energy Demonstration Zone. This remarkable hub has emerged over just four years into a comprehensive hydrogen accelerator that includes everything from research and development to full-scale commercial applications.

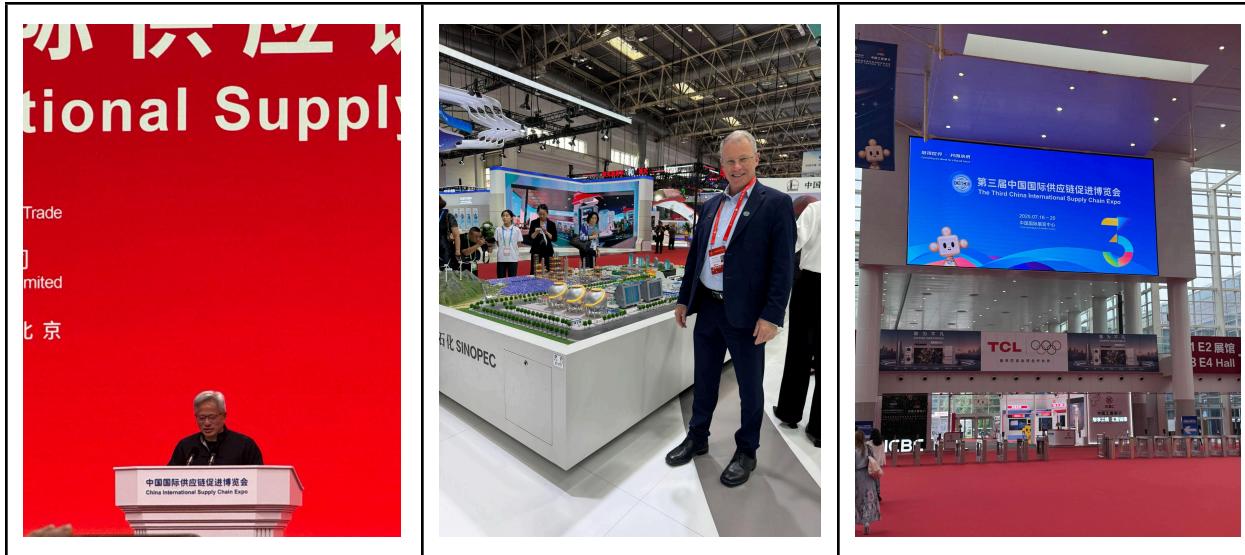
The tour offered an insightful and well-orchestrated overview of China's strategic commitment to hydrogen as a cornerstone of its energy transition and energy security goals. We met with several company leaders showcasing technologies across the hydrogen value chain, including fully commercialized fuel cells for mobility applications, hydrogen-powered drones, motorcycles, scooters, and backup systems for microgrids.

Particularly impressive were the developments in internal fuel cell stack technology aimed at cost reduction and performance improvement. We also viewed the HyBot Class 8 heavy-duty



truck, expected to enter production this year, with a goal of scaling up to thousands of units within two years. Rated at 49 metric tons, this truck exceeds U.S. weight standards and reflects China's ambition in zero-emission freight. We also saw the largest H2 refueling station in the world, capable of dispensing up to 4,800 kg of hydrogen per day.

The scale and integration of China's hydrogen infrastructure make it clear that China is rapidly positioning itself to achieve economies of scale, likely driving down global costs and accelerating the global hydrogen transition.



### 3rd Annual Supply Chain Expo

The 3rd Annual Supply Chain Expo drew over 1,200 companies from 75+ countries and was a showcase of global innovation and collaboration. The event featured a broad range of sectors, including renewable energy, AI, green agriculture, and logistics.

A highlight of the opening session was Nvidia CEO Jensen Huang's keynote, particularly the announcement that China would allow the use of Nvidia chips for AI development—a significant development that captured attention across the event.

Key takeaways included:



- **China's Demand for Renewable Fuels:** There is a growing appetite for sustainable aviation fuel (SAF) and methanol for maritime use. These areas present opportunities for Western collaboration to help China decarbonize its supply chains.
- **Fair Trade Over Trade Wars:** Speakers emphasized that trade wars benefit no one. Fair and transparent trade practices are critical to fostering competitive markets, as Adam Smith once argued.
- **Improved IP Protections:** China has made notable strides in strengthening intellectual property protections—an encouraging sign for international technology partnerships.
- **Free Trade Zones:** These areas offer strong potential for global businesses to access China's expanding consumer market, particularly its growing middle class.

As summarized by the CCIOC Chairman:

1. We must learn to collaborate across borders and ideologies.
2. Like Marco Polo's return to Europe with news of gunpowder and paper, we should not underestimate the advanced technologies emerging from China today.
3. "China is a forest of people working together for the benefit of all nations."

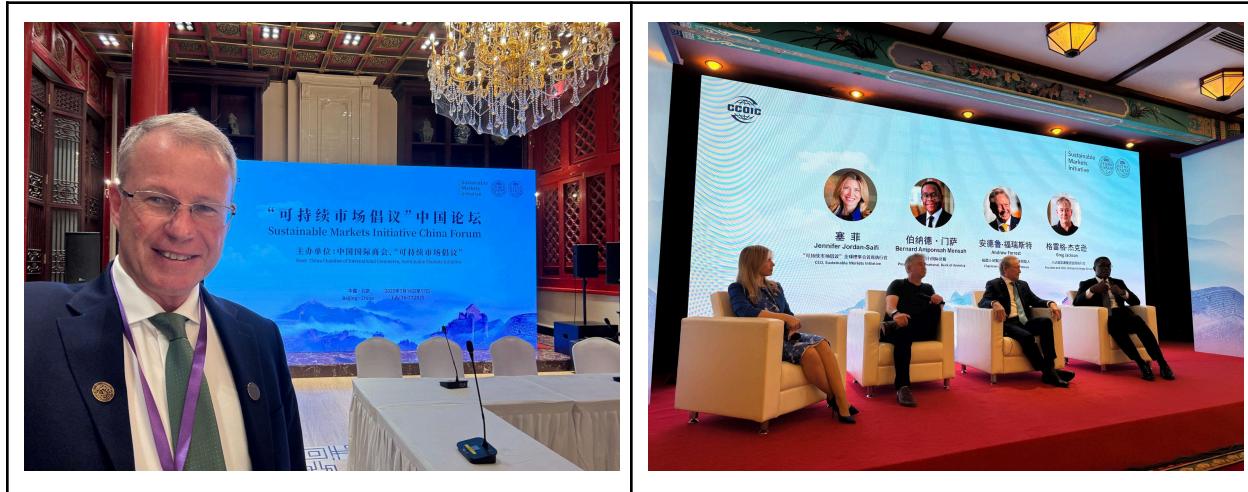
### SMI CEO Forum

The CEO Forum featured prominent voices including Greg Jackson (Octopus Energy), Sir Noel Quinn (former CEO, HSBC), and Bernie Mensah (Bank of America).

The opening message called for an accelerated energy transition to address climate change and deliver scalable global solutions benefiting people, nature, and the planet. The SMI's unique convening power enables CEOs to come together for meaningful dialogue and action.

Key insights included:

- **Greg Jackson (Octopus Energy):** Urged leaders to challenge linear thinking and embrace the exponential potential of technology to shape a better energy future.
- **Andrew Forrest (Fortescue Metals Group):** Called on all leaders to "set a date to end the use of fossil fuels."



### SMI Forum Roundtables

#### **Green Shipping**

Leaders like Andrew Forrest (Fortescue) and Andreas Enger (Hoegh Autoliners) discussed innovation in low-carbon marine fuels. With the IMO expected to finalize penalties for emissions-heavy shipping practices, alternatives like methanol, ammonia, and possibly LOHC hydrogen are gaining traction.

**Action:** Nations were encouraged to support the IMO's upcoming decision on low-carbon marine fuels, which will shape the industry's future.

#### **Carbon Capture, Utilization & Storage (CCUS)**

CCUS was discussed as a crucial, though currently costly, bridge in the energy transition.

Participants highlighted:

- The importance of scaling CCUS to reduce costs—mirroring the path of solar and wind.
- Differentiating **biogenic CO<sub>2</sub>** from fossil-based CO<sub>2</sub>—especially relevant as demand for renewable CO<sub>2</sub> in e-fuels grows.
- The case for **CO<sub>2</sub> utilization** over long-term sequestration.
- China's potential to scale **Direct Air Capture (DACP)** and bring its costs down.

#### **Electrification**

This session was packed. China's energy needs, ranging from 700 GW to peaks of 1,400 GW, underscore the urgency to expand electricity generation from all sources—especially renewables and hydrogen.



China is:

- Expanding high-voltage transmission infrastructure from its western energy-rich regions to eastern industrial centers.
- Relocating manufacturing to regions like Inner Mongolia to capitalize on local energy supply and build a more **distributed generation model**.

These strategies will boost grid resilience, reduce electricity costs, and enhance China's global competitiveness in manufacturing.

### **Final Reflections**

China's scale, speed, and coordination in hydrogen, electrification, and green innovation are unlike any other country today. As global business and policy leaders, we must not underestimate China's role in shaping the future of clean energy. As the saying goes: "**Let's not miss the opportunity to learn, collaborate, and co-create a sustainable future with China.**"