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Treasury Building Engraving



## U.S. Department of the Treasury Office of Public Affairs

**Press Release:** FOR IMMEDIATE RELEASE

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**Contact:** Treasury Public Affairs; [Press@Treasury.gov](mailto:Press@Treasury.gov)

### WHAT THEY ARE SAYING: U.S. Treasury Department Framework Will Grow Clean Hydrogen Industry

WASHINGTON – Today, the U.S. Department of the Treasury and Internal Revenue Service (IRS) issued proposed rules for claiming the Inflation Reduction Act’s Clean Hydrogen Production Credit (45V). The Clean Hydrogen Production Credit aims to make production of clean hydrogen with minimal climate pollution more economically competitive and accelerate development of the U.S. clean hydrogen industry. Today’s proposed regulations advance those goals and will support the development of a robust U.S. clean hydrogen industry that creates good-paying jobs, while also reducing carbon emissions.

The Treasury Department’s Notice of Proposed Rulemaking (NPRM) describes how taxpayers may use electricity attribute certificates (EACs) to assess and document qualification for the Clean Hydrogen Production Credit. The proposed rules explain the three criteria that must be reflected in EACs being purchased and retired by hydrogen producers claiming the tax credit: new clean power (incrementality), deliverable clean power, and new, deliverable clean power generated hourly (time matching).

Here's what key industry and policy stakeholders are saying about this framework and the impact of the credit:

**Letter from Air Products, ACCIONA & Nordex Green Hydrogen, CWP Global, EDP Renováveis, S.A., Electric Hydrogen, Hy Stor Energy, and Synergetic:** “The undersigned companies include the world’s largest supplier of hydrogen, a major U.S. based electrolyzer manufacturer, and large hydrogen and renewable energy developers. Together, our companies and partners have a collective scale of planning and interest exceeding 50 GW of electrolyzer projects in the US which is sufficient to produce more than 6 million metric tons per year of truly clean hydrogen. This is ample volume to achieve large electrolyzer cost reductions according to a range of studies, incentivize investments in projects, hubs, and supporting infrastructure, and ensure cost-competitiveness. We are encouraged by recent reporting that the Biden administration plans to propose strong, climate-aligned 45V guidance for electrolytic hydrogen and urge the administration to swiftly finalize it.” [\[Letter\]](#)

“This experience gives us confidence that proposed 45V guidance requiring the three pillars — including additionality from day 1, strong deliverability standards, and a phase-in of hourly matching by 2028 (without grandfathering) — will support scaled industry growth and enable the creation of a successful U.S. and global clean electrolytic hydrogen market.” [\[Letter\]](#)

**Seifi Ghasemi, President and CEO, Air Products:** “Air Products has made a more than \$15 billion commitment to clean hydrogen projects to decarbonize the heavy-duty transportation and industrial sectors of the economy, including in-progress U.S.-based projects that will deliver real and verifiable emissions reductions from day one. We applaud the Administration’s strong three pillar hydrogen tax credit proposed rule, which will be essential to delivering real emissions reductions, creating the stimulus for broader investments across the hydrogen value chain, and cementing the U.S.’s global climate leadership.”

**Hy Stor Energy:** “Hy Stor Energy applauds the Treasury’s guidance for the clean hydrogen tax credit,” said Laura L. Luce, CEO and Founder at Hy Stor Energy. “We are aligned with industry collaborators and commercial partners who have required the three-pillar approach of additionality, regionality, and time matching in their pursuit of long-term off-take agreements for clean hydrogen. By adopting strong standards focusing on emissions intensity, the United States will secure a leadership position in the energy transition and catalyze global investment and demand for clean hydrogen to support long-term, economy-wide decarbonization.”

“Hy Stor Energy has found that its commercial and industrial partners operating in DOE-prioritized industrial decarbonization sectors fully support Hy Stor Energy’s embrace of the three pillars. According to one of these partners, ‘We and Hy Stor Energy contend that hourly matching calculations for ‘45V’ ensure that the production of competitively priced hydrogen advances organizations that are fully committed to the most timely and efficient industrial decarbonization. The concepts of additionality, locality, and time-matching are paramount to our commitment to 100% renewable energy, despite cost and potential competitor choices.’” [\[Statement\]](#)

**ACCIONA & Nordex Green Hydrogen:** “ACCIONA & Nordex Green Hydrogen, a joint venture between two leading global infrastructure and renewable energy companies, is developing several large-scale clean hydrogen projects in the United States which are primarily ‘behind-the-meter’ and represent the gold standard for achieving emissions reductions while increasing American energy independence. The incentives included in the Inflation Reduction Act help catalyze projects like these as they spur private investment and create good long-term jobs in rural America. We are confident that strong guidance from the Treasury Department will allow U.S. clean hydrogen to scale up, lower costs and make our nation a global leader in the clean hydrogen industry.” — Scott Baron, VP of Development for ACCIONA & Nordex Green Hydrogen

With a target renewable energy development pipeline of 50GW, the joint venture’s goal is to develop projects that will produce 0.5 million tons of green hydrogen annually within the next ten years. The aim is to reach ready-to-build stage for the first projects by 2027. [\[Statement\]](#)

**CWP Global:** “We welcome enthusiastically the Administration’s work to clarify its guidance on the all-important clean hydrogen production tax credit under the IRA. As a project developer with laser focus on

the promise of renewables-based hydrogen production in the US and globally, stringent rules that channel maximum benefit to projects with the strongest environmental credentials will pave the way for a vibrant and successful new green hydrogen industry. Put simply, we can't get to net zero without it." — Alex Hewitt, Co-Founder & Co-CEO of [CWP Global](#) and also current Chair of the [Green Hydrogen Catapult](#)

**Electric Hydrogen:** "With the proposed 45V rules, the Administration has made pragmatic choices consistent with the intent of the IRA to support the green hydrogen industry long term. The rules allow developers to get started right away, while later phasing in hourly matching, which is necessary to ensure that green hydrogen is truly green. No stakeholder got everything they wanted, but finalizing the rules will give industry the certainty it needs to begin scaling green hydrogen production with domestically manufactured technology that is capable of ramping with renewable resources." — Raffi Garabedian, CEO and Co-Founder of Electric Hydrogen.

Looser rules could actually encourage the purchase of low-tech electrolyzers from China, instead of more sophisticated equipment made in the US, said Paul Wilkins, a vice president with [Electric Hydrogen Co.](#), a privately-held maker of electrolyzers, which use electricity to split water into hydrogen and oxygen. "If you go with dumb rules you are going to incentivize dumb production," said Wilkins. "If what's leaked is indeed accurate, then I think the administration hit the rational middle. Nobody was going to be completely happy." [[Bloomberg](#)]

**Mike Sloan, CEO of Synergetic LLC:** "Robust incentives with clear rules will launch America's clean hydrogen industry, unlocking a vital tool to cut emissions. A strong foundation for 45V hydrogen tax credits that demands environmental integrity through accurate lifecycle emissions accounting will be essential to support this versatile new sector of the economy to achieve long-term decarbonization. As a developer of green hydrogen projects, Synergetic is among the many companies ready to thrive under strict three-pillar requirements and deploy hydrogen that is truly clean."

**Ana Quelhas, Managing Director of Hydrogen, EDP Renováveis, S.A.:** "As a global leader in the renewable energy sector, EDP Renewables looks forward to collaborating with industry members and end users to develop the nascent hydrogen economy in the United States. We're currently developing projects aligned with the three pillars, and the guidance will provide the needed clarity to move forward with our investments."

**AES:** "AES has been a leader providing customers with innovative, tailored energy solutions – including 24/7 carbon free energy and other renewable load following solutions – that meet their specific needs. We bring this same mindset to our green hydrogen initiatives and have been developing green hydrogen projects that can meet the strictest requirements of our customers."

The Inflation Reduction Act has created the opportunity for the largest build out of infrastructure in the past 50 years and sets the stage for the energy transition to a low carbon economy. We look forward to reviewing the forthcoming guidance on the 45V hydrogen tax credit and working with our stakeholders to build the market. Once the rules are finalized, we remain committed to developing our hydrogen projects and working with our customers to produce green hydrogen that meets their requirements and helps them achieve their decarbonization goals." [[Statement](#)]

**Chuck Schmitt, President of SSAB Americas:** "As a first mover, SSAB views green hydrogen as the foundation for our low emissions steelmaking. The guidance released today supports SSAB's leadership and innovation in the decarbonization of the steel industry. This clarifying language will help drive new technology investment and create clean energy jobs in the United States."

**Sarah Jewett, VP of Strategy, Fervo Energy:** "Next-generation geothermal energy is available today to provide 24/7 clean and reliable electricity all over the West, creating jobs in rural communities and enhancing American energy security. Incorporating hourly matching of energy sources and hydrogen production into the proposed guidance on the clean hydrogen tax credit creates the policy signals we need to pull forward demand for the clean, firm electricity Fervo provides. We are ready to help the U.S. clean hydrogen industry meet the additionality, deliverability, and hourly matching requirements at the speed we need to stave off the worst impacts of the climate crisis."

**Mike Carr, Executive Director, Solar Energy Manufacturers for America Coalition:** “We’re thrilled to see this critical guidance that will help drive demand for domestic solar manufacturing. We especially appreciate the thoughtful approach the Biden-Harris Administration took to find a middle ground for industry stakeholders on additionality, deliverability, and hourly-matching requirements, that we believe will align with our shared climate goals while letting this industry grow. As builders of the cheapest source of new electricity across the country, U.S. solar manufacturers, along with our partners in the energy storage industry, stand ready to help supply the affordable zero-carbon power needed to make hydrogen a true climate solution. Alignment with the three pillars approach embodies the intent of the Inflation Reduction Act to maximize U.S. clean energy production and support the clean energy transition.”

**Tyson Slocum, Energy Program Director for Public Citizen:** “The proposed guidance protects US households & businesses from electricity price increases that would have disproportionately impacted low and moderate income communities. The Biden Administration’s commitment to the three pillars of sustainable and affordable hydrogen will help promote low cost renewable energy for American communities.”

**Ben Gerber, President and CEO of M-RETS:** “We are proud to support the U.S. Treasury’s guidance for clean hydrogen producers to validate their production with hourly renewable energy certificate claims, a feature that M-RETS has been implementing with global and U.S. partners since 2021. With new incentives in the Inflation Reduction Act, green hydrogen facilities will grow, and the hydrogen produced will be truly carbon-free. This is an important step toward decarbonization.”

**Killian Daly, Executive Director of EnergyTag:** “The hourly matching requirement is critical to delivering a truly clean hydrogen economy. Hourly tracking is technically proven with millions of Megawatt-hours done to date across five continents. It’s fast become the global norm for robust accounting. The phase-in to 2028 provides ample time for US tracking systems to update their systems to ensure best in class verification of this tax credit.”

**Mike Kaercher, Director of the Climate Tax Project at the Tax Law Center at NYU Law:** “The proposed regulations from Treasury and the IRS take a generally sound approach that fulfils the requirements of the law and is sensitive to compliance and administration considerations. The Inflation Reduction Act required that Treasury and the IRS propose a way to determine tax credits for hydrogen production based on the systemwide emissions of each project, taking into account that some projects draw on electricity from dirty sources that have a negative environmental impact. The proposed rules would give practical effect to the statutory requirement, helping ensure that tax credits are not subsidizing projects that could result in increased harmful carbon emissions at a substantial cost to federal revenues.”

**BloombergNEF:** “The whole point of supporting [green] hydrogen should not be to maximize the usage of hydrogen but to minimize emissions,” said Martin Tengler, head of hydrogen research at BNEF. “If you allow the production of hydrogen with very high emissions, then you’re kind of defying the whole reason of why you set up a hydrogen credit in the first place.” [[Financial Times](#)]

**Members of the Green Hydrogen Catapult (ACWA Power, ArcelorMittal, CWP Global, Fortescue, H2 Green Steel, Hy Stor Energy, Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, Power2X, ReNew, World Energy):** “For clean hydrogen production in the US to generate real climate benefits, PTC rules must incorporate a new power requirement, a temporal matching requirement, and a deliverability requirement. To enable early project scale-up and cost decline, some flexibility can be built into these rules before stricter requirements are phased in over time...Setting stricter, climate aligned rules for defining green hydrogen will position the US as a leader in the race to develop clean hydrogen markets, helping keep the world on track with net zero goals.” [[Letter](#)]

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