

November 15th, 2023

Mr. John Podesta
Senior Advisor to the President for Clean Energy Innovation and Implementation
White House

The Honorable Wally Adeyemo
Deputy Secretary of the Treasury
Department of the Treasury

The Honorable Lily L. Batchelder
Assistant Secretary for Tax Policy
Department of the Treasury

Mr. Seth Hanlon
Deputy Assistant Secretary for Tax and Climate Policy
Department of the Treasury

Dear Mr. Podesta, Deputy Secretary Adeyemo, Assistant Secretary Batchelder, and Mr. Hanlon:

We are a group of environmental justice organizations representing communities on the front lines of industrial pollution, the climate crisis and the potential impacts of an expanding hydrogen market, in particular the newly announced hydrogen hubs. We are writing to you concerning the Inflation Reduction Act's (IRA) section 45V clean hydrogen production tax credits, for which you are currently preparing guidance.

We are deeply concerned about the risks of hydrogen projects receiving billions of dollars of subsidies prolonging fossil infrastructure and increasing fossil fuel generation on the grid. This will be entirely at odds with the administration's climate goals and will exacerbate air pollution and health harms for frontline communities. **We therefore urge you to require that all electrolytic hydrogen production seeking the 45V credit ensure that they do not drive increases in fossil electricity on the grid and comply with the three pillars of 1) additionality, 2) deliverability, and 3) hourly matching.** There is now substantial evidence that all three pillars are necessary to prevent significant increases in the utilization of fossil fuel plants, which are disproportionately burdening our communities with local pollution as well as greenhouse gas emissions. The guardrails will also protect electricity consumers, particularly low-income consumers, from sharp electricity price increases that weak rules would cause.

Our communication is especially timely given the announcement from President Biden last month of hydrogen hubs in several of our states that will catalyze the deployment of electrolytic hydrogen projects powered by our states' electricity grids. The hubs already have an over-reliance on hydrogen produced from fossil fuels and from existing clean energy that is already powering our homes and businesses. Therefore, getting the guidance of the 45V credits right is more than ever an imperative. We are especially troubled to see some players leveraging the hub awards to pressure the administration towards weak tax credit rules.

It would be particularly concerning for electrolytic hydrogen projects to cannibalize existing clean energy on the grid that is powering our homes and businesses and drive increased health-harming fossil fuel generation to fill that gap. Failing to require that *all* hydrogen projects be powered by “additional and new” clean energy would therefore be completely unacceptable.

Many in the EJ community have already vocalized those concerns and have pressed for strong rules to govern *all* hydrogen production. For example, 9 large EJ groups in California have recently come out with [positions on hydrogen](#) given the state’s hydrogen hub award, pressing for all hydrogen deployment to meet the three pillars of additionality, hourly matching and deliverability.

We cannot underscore enough how important it is to get this decision right. Subsidizing resources that will compromise the rapid decarbonization of our electricity grid and prolong fossil use in the economy is entirely at odds with our shared climate and equity goals. We also respectfully request that you meet with a group of us to discuss these issues and hear our perspective on the 45V tax credit and hydrogen hubs in our communities.

Sincerely,

National Environmental Justice Organizations

Center for Earth Energy & Democracy

Climate Justice Alliance

FracTracker Alliance

Taproot Earth

WE ACT for Environmental Justice

Regional Environmental Justice Organizations

Healthy Gulf - Texas, Florida, Mississippi, Alabama

California Environmental Justice Organizations

Asian Pacific Environmental Network

California Environmental Justice Alliance

Center for Community Action and Environmental Justice

Center on Race, Poverty, and the Environment

Communities for a Better Environment

Physicians for Social Responsibility Los Angeles

The Greenlining Institute

Florida Environmental Justice Organizations

Earth Ethics, Inc.

Illinois Environmental Justice Organizations

GAIA (Global Alliance for Incinerator Alternatives)

Illinois People's Action

Metro East Green Alliance (IL)

United Congregations of Metro East

Indiana Environmental Justice Organizations

Citizens Action Coalition

Earth Charter Indiana

Just Transition Northwest Indiana

Indiana Environment Clean Energy J40, Inc.

Louisiana Environmental Justice Organizations

Alliance for Affordable Energy

RISE St. James

Michigan Environmental Justice Organizations

Michigan Environmental Justice Coalition

New Jersey Environmental Justice Organizations

Ironbound Community Corporation

New York Environmental Justice Organizations

New York City Environmental Justice Alliance

Ohio EJ groups

Community Earth Alliance

FreshWater Accountability Project

Ohio Valley Allies

Pennsylvania Environmental Justice Organizations

Beaver County Marcellus Awareness Community

Breathe Easy Susquehanna County

Breathe Project

Center for Coalfield Justice

Climate Reality Project: Pittsburgh & Southwestern PA Chapter

Climate Reality Project: Susquehanna Valley PA chapter

Environmental Health Project

Fair Shake Environmental Legal Services

NEPA Green Coalition

Mountain Watershed Association

Rail Pollution Protection Pittsburgh (RP3)

Rhode Island Environmental Justice Organizations

The People's Port Authority

West Virginia Environmental Justice Organizations

Mid-Ohio Valley Climate Action

CC:

Mr. William M. Paul
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