

National Association of State Energy Officials

March 11, 2022

Dr. Sunita Satyapal Director, Hydrogen and Fuel Cell Technologies Office Office of Energy Efficiency and Renewable Energy (EERE) U.S. Department of Energy 1000 Independence Avenue, SW Washington, DC 20585

RE: Comments on U.S. Department of Energy Request for Information DE-FOA-0002664.0001 Regional Clean Hydrogen Hubs Implementation Strategy

Dear Dr. Satyapal,

The National Association of State Energy Officials (NASEO) appreciates the opportunity to submit comments in response to the U.S. Department of Energy's (DOE) Request for Information (RFI) regarding the solicitation process and structure of a DOE Funding Opportunity Announcement (FOA) to fund regional clean hydrogen hubs, in accordance with the Infrastructure Investment and Jobs Act (IIJA). NASEO represents the governor-designated State Energy Directors and their offices from each of the 56 states, territories, and District of Columbia. NASEO has been supporting State Energy Offices on clean hydrogen for many years, most recently with <u>a publication</u> on hydrogen's role in decarbonizing the grid, manufacturing, and transportation.

In response to the RFI and in developing the FOA, we would encourage DOE to consider the following three points:

1. Encourage State Energy Office Inclusion in FOA Requirements for Regional Clean Hydrogen Hubs (Category 1)

State Energy Offices are at the intersection of many cross-cutting policy, program, siting, regulatory, and incentive considerations and issues for clean hydrogen. In most states, they are the lead agency for state energy planning and the development of supportive energy policies for their governors. They also consider the overall state economic considerations of a state's energy infrastructure (regulated and unregulated), the implications of energy policies and projects on equity, environmental and energy justice priorities, and drive energy workforce development. Clean hydrogen's complimentary nature to offshore wind, industrial decarbonization, and renewable energy development through long-term storage adds additional complexities to considering clean hydrogen within a states' entire energy portfolio. In this, State Energy Offices are uniquely positioned to consider clean hydrogen in its crosscutting function while implementing many provisions of the IIJA, not only the implementation of the

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General Counsel JEFFREY C. GENZER regional clean hydrogen hubs, but also considerations of resilience, grid hardening, and carbon capture, utilization, and storage, among others. Therefore, while the IIJA defines a "regional clean hydrogen hub" as "a network of clean hydrogen producers, potential clean hydrogen consumers, and connective infrastructure located in close proximity," NASEO strongly encourages DOE to include scoring incentives within the FOA for applicants that coordinate with and engage State Energy Offices, especially where projects are addressing shared multi-state or regional challenges. Proposals that include State Energy Offices in the participating states will ensure that the potential clean hydrogen hub is embedded in overall state energy policies and that the aforementioned cross-cutting issues and complexities have been considered.

2. Support for Single State Yet Critical Clean Hydrogen Projects

As part of the regional (i.e., multi-state) clean hydrogen hub FOA, NASEO encourages DOE to consider setting aside funding for single state, yet critical clean hydrogen projects. Territories and island or remote states, like Hawaii and Alaska, would also benefit from financial and technical support of clean hydrogen projects, but are not able to join contiguous, multi-state projects due to their geography. Other states in the continental United States might also not be able to join multi-state projects but are interested in developing clean hydrogen opportunities further. NASEO encourages DOE to provide funding for non-regional clean hydrogen projects in addition to the regional clean hydrogen hubs. Finally, NASEO suggests DOE consider additional funding opportunities for states to conduct hydrogen roadmapping activities to help prepare their policies and markets for hydrogen deployment both within their states and to support regional and national hydrogen markets (see also below).

3. Enhancing States' Support for Clean Hydrogen through Technical Assistance

States, and in particular State Energy Offices, across the United States are supporting clean hydrogen development through a variety of policies and tools. The Oregon Department of Energy is currently conducting a study of the potential benefits of and barriers to production and use of renewable hydrogen. In Louisiana, with the support of the Governor, Air Products will develop a blue hydrogen manufacturing complex to produce more than 750 million standard cubic feet per day of blue hydrogen, with carbon dioxide from the manufacturing process captured and sequestered, creating direct and indirect jobs in the community. Eleven Western states lead the Western Green Hydrogen Initiative, which is supported by NASEO, the Western Interstate Energy Board, and the Green Hydrogen Coalition, with several states such as Florida, Ohio, and Louisiana being active observers. NASEO encourages DOE to consider additional technical assistance to states and State Energy Offices - such as state roadmaps, RD&D guides, or technical assistance through the national laboratories - to continue the planning and policy support for clean hydrogen. This is especially important for states at the beginning of considering clean hydrogen as part of their energy sector.

We appreciate the opportunity to provide comments and we look forward to continuing our partnership with DOE in supporting states on clean hydrogen projects, policies, and planning.

Best regards,

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David Terry Executive Director, NASEO