

November 14, 2022

## RE: Comments to the U.S. Department of Energy Clean Hydrogen Production Standard Draft Guidance

Submitted electronically via: <u>cleanh2standard@ee.doe.gov</u>

Enel North America, Inc. is pleased to submit the following response to the Department of Energy's (DOE) Draft Guidance for a Clean Hydrogen Production Standard (CHPS), implementing section 40315 of the Infrastructure Investment and Jobs Act of 2021.

Enel North America, part of the <a href="Enel Group">Enel Group</a>, is a clean energy leader in North America and is working to electrify the economy and build a net-zero carbon future by decarbonizing energy supply, electrifying transportation, creating resilient grids, and promoting a just, equitable transition. Enel North America serves over 4,500 businesses, utilities, and cities through renewable power generation, demand response, distributed energy resources, smart e-mobility solutions and services, energy trading, advisory and consulting services, and more. Its portfolio includes over 8 GW of utility-scale renewable capacity, 606.8 MW of utility-scale energy storage and 63 MW of distributed energy storage capacity, 4.7 GW of demand response capacity, and 110,000 electric vehicle charging stations.

Enel is a leading developer, long-term owner and operator of renewable energy plants in North America. The company operates 65 plants with a managed capacity of over 8 GW powered by renewable wind, geothermal and solar energy. Enel is also developing and constructing a large portfolio of hybrid projects that pair renewable power generation with utility-scale battery energy storage. We are the fourth-largest owner of clean power capacity in the United States, where our projects have generated over \$188 million in lease payments to landowners and over \$89 million in new property tax revenue since 2016. We have invested more than \$11 billion in the U.S. and Canada since 2000. Globally, Enel is a multinational energy company and a leading integrated player in the global power, gas and renewables markets. Enel is the world's largest private operator of renewables, with over 54 GW of wind, solar, geothermal and hydropower plants installed in Europe, the Americas, Africa, Asia and Oceania. It is the largest European utility by ordinary EBITDA and is present in over 30 countries worldwide (~65,000 employees), producing energy with around 92 GW of installed capacity. Enel distributes electricity through a network that spans over 2.3 million kilometers, and with around 75 million business and household end users globally, the Group has the largest customer base among its European peers.

Enel's experience in green hydrogen is at the international level. To date, our projects include a plant in operation since 2017 and a new plant beginning commercial operations by 2022.



Additional projects have received funding and more still have received approval for funding and are under development in Italy, Spain, Chile, and the United States.

## I. Comments

To ensure that the buildout of the hydrogen industry in the United States and subsequent application of the CHPS do not lead to an increase in GHG emissions, Enel believes that adopting a principle of additionality is crucial within the CHPS, coupled with a PPA between the renewable power plant(s) and the electrolyzer(s). A required additionality principle is key to ensure the continuous reduction of GHG emissions in the power sector in concomitance with the increased direct electrification process and the new need for renewable electricity coming from the production of electrolytic hydrogen.

While an initial flexibility in its application is desirable to allow the immediate development of projects and the scale up of the industrial value chain of electrolyzers, this flexibility should be limited. Specifically, we propose an interim period of 48 months beginning on January 1, 2023, wherein, once the 48 months have elapsed on January 1, 2027, any facility producing clean hydrogen that is powered by renewable electricity must have come into operation within 36 months of the beginning of hydrogen production. This additionality standard should apply to all forms of renewable energy (e.g. solar, wind) and similarly ambitious and effective provisions in reducing GHG emissions should apply to nuclear. Enel proposes this cutoff date as it both aligns with the European Commission's proposed additionality standard—thus, further aligning the Clean Hydrogen Production Standard with international regimes in addition to the Standard's proposed alignment with the IPHE H2PA TF's emissions methodology—and allows for sufficient time to conduct studies and analysis to define robust guidance for industry to comply.

## II. Conclusion

Enel North America is grateful for the opportunity to provide comments to the DOE and looks forward to further collaborating with DOE and other stakeholders on the development of the Clean Hydrogen Production Standard. Please reach out to Ryan Prescott with any questions or comments regarding this response.

Sincerely,

Isl Ryan Prescott

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