Comment by Hydrogen Forward on Draft Guidance for the Clean Hydrogen Production Qualifications

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Hydrogen Forward appreciates the opportunity to submit a comment on the DOE's Clean Hydrogen Production Standard (CHPS) Draft Guidance.

First and foremost, we want to applaud the Department of Energy's (DOE) efforts in charting the path forward and solidifying opportunities to leverage hydrogen in economy-wide decarbonization efforts. CHPS is a critical and necessary step to achieve the key objectives as laid out in the National Hydrogen Strategy and Roadmap and H2Hubs program.

We are pleased to see that the DOE's proposed standard aligns with the fact-based, carbonintensity framework in the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL). This has also been one of the main positions that the Hydrogen Forward has held since its formation. We firmly believe that a technology-neutral framework that takes a carbon intensity approach to hydrogen production will allow every region in the U.S. to use locally available resources, whether it's renewables, fossil fuels with carbon capture, nuclear, or biomass or other primary energy sources and production methods, to produce clean hydrogen and meaningfully contribute toward achieving the U.S. climate goals both today and in the longterm. This framework will ultimately benefit numerous industries that rely on hydrogen to decarbonize their products and operations, helping to speed up the scale and volume of produced hydrogen.

CHPS is also essential in aligning stakeholders as the hydrogen economy scales to meet decarbonization needs. While the so-called "hydrogen rainbow" that identifies various production methods by colors (e.g., "green" for hydrogen from renewables, "blue" for hydrogen from natural gas with CCS, "pink" for hydrogen from nuclear) was originally designed to be a helpful shorthand, it just as often creates confusion and can be leveraged to pit technologies against one another. The technology-neutral framework of CHPS, which focuses on carbon intensity rather than "color", makes crystal clear the decarbonization benefits of clean hydrogen.

To complement this technology-neutral framework, Hydrogen Forward and its members also encourage DOE to allow for the use of a wide-range of market structures for all forms of energy emissions. Such market-based mechanisms may apply to electricity, natural gas, renewable natural gas, certified low-methane intensity natural gas (also known as responsibly sourced natural gas) and may include several different types of instruments such as renewable energy certificates (RECs), power purchase agreements, book-and-claim and mass-balance approaches should be explicitly allowable. Doing so will align the CHPS with the provisions of both the IRA and BIL and will help accelerate the growth and maturation of the clean hydrogen industry by providing it with much-needed flexibility to contract for the most cost effective low- and zero-emissions energy. To promote accuracy in CHPS measurements, we further encourage DOE to allow for regional assumptions for the carbon intensity of natural gas production, provided that the geographic origin of the natural gas can be ascertained and verified.

Our hope is that with CHPS, this will serve as a step toward a global clean hydrogen standard that can align international stakeholders under a transparent, harmonized framework based on carbon intensity. A global framework will be essential for hydrogen trade development in the long term.

As with the H2Hubs program, we believe the shared input and data from the industry and important stakeholders will guide further dialogues in the sustained build-out of the hydrogen development in the U.S. Hydrogen Forward looks forward to continuing sharing our insights and partnering with the DOE. We thank DOE for the opportunity to respond to the CHPS announcement and encourage the department to stay the course in supporting a technology-neutral framework that prioritizes reducing the carbon intensity of hydrogen.

About Hydrogen Forward:

<u>Hydrogen Forward</u> is a coalition of companies across the value chain that are working to ensure hydrogen is a key contributing solution in the energy transition. The coalition works in concert with allies across industries and sectors to educate decisionmakers and stakeholders on the value hydrogen delivers today and the important role that it should play in our future.

This coalition is focused on efforts that drive decarbonization of the U.S. economy. We support the establishment of a national hydrogen strategy that outlines a clear, comprehensive approach to hydrogen and related infrastructure development. And we believe that policies should activate a diverse array of decarbonization technologies, including hydrogen, that can work in sync with each other through the energy transition.

Please do not hesitate to contact us with any additional requests regarding CHPS.

Best regards,

Hydrogen Forward