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Clean Hydrogen Paves the Way Forward to Lowering Emissions

Washington, DC – October 13, 2023 – Today, the U.S. Department of Energy (DOE) <u>selected</u> seven projects spanning 16 states to receive \$7 billion in funding for the Regional Clean Hydrogen Hubs program (H2Hubs), which was created by the bipartisan Infrastructure Investment and Jobs Act of 2021. The seven chosen hydrogen hubs are set to stimulate approximately \$40 billion in private funding, resulting in a combined public and private investment of nearly \$50 billion, the creation of more than 330,000 direct jobs and the elimination of emissions from the equivalent of over 5.5 million cars.

"Today's energy and national security crisis is driving calls for increased American energy leadership," said **Rich Powell, CEO of ClearPath**. "Accelerating the hydrogen industry forward with these hubs allows the U.S. to leverage domestic energy resources while reducing emissions."

Together, the hubs will produce three million metric tons of clean hydrogen a year. They are as follows:

- Appalachia Appalachian Regional Clean Hydrogen Hub (ARCH2): \$925 million for regional natural gas with carbon capture and storage (CCUS) to produce hydrogen, new hydrogen pipelines, and hydrogen fueling stations across western Pennsylvania, Ohio, Kentucky and West Virginia.
- California Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES): \$1.2 billion for renewable and biomass hydrogen production, heavy-duty trucking, and port operations in California.
- **Gulf Coast HyVelocity Hydrogen Hub**: \$1.2 billion for regional natural gas with CCUS and renewable hydrogen production to benefit local industry in Texas.
- **Heartland Heartland Hydrogen Hub**: \$925 million to create clean fertilizer for the agricultural sector as well as use clean hydrogen for electric generation and space heating in Minnesota, North Dakota and South Dakota.
- **Mid-Atlantic Mid-Atlantic Clean Hydrogen Hub** (MACH2): \$750 million for renewable- and nuclear-powered hydrogen production in Pennsylvania, Delaware and New Jersey.
- Midwest Midwest Alliance for Clean Hydrogen (MachH2): \$1 billion for renewable, nuclear, and natural gas hydrogen production for use in steel and glass manufacturing, power generation, refining, heavy-duty trucking, and sustainable aviation fuel in Illinois, Indiana and Michigan.

FOR IMMEDIATE RELEASE October 13, 2023

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• **Pacific Northwest – Pacific Northwest Hydrogen Hub** (PNW H2): \$1 billion for renewable-powered hydrogen production in Washington, Oregon and Montana.

The IIJA included multiple hydrogen related authorizations and appropriations, including \$1 billion for a Clean Hydrogen Electrolysis Program, \$500 million for a Clean Hydrogen Manufacturing Program, \$8 billion for Regional Clean Hydrogen Hubs, and a reauthorization of DOE's hydrogen activities. IIJA is the first time the DOE's hydrogen activities have been reauthorized since the Energy Policy Act of 2005; this reorientation reflects the modern understanding of the future of hydrogen and its role in reducing global emissions. The regional clean hydrogen hubs are a significant advancement for American energy, supported with enough funding to demonstrate a reliable and clean grid.

Following the passage of the IIJA, ClearPath published recommendations for the hubs.

To further support the hubs, the DOE Office of Clean Energy Demonstrations (OCED) is developing a demand-side mechanism to support reliable offtake for H2Hubs. The purpose of this mechanism is to tackle revenue uncertainty that results from the imbalance caused by short-term offtake contracts and expected cost reduction from fast-follower hydrogen producers. Earlier this year, DOE also released a <u>Request for Proposal</u> seeking an independent entity to administer the initiative, and is expected to make its selection in a few months.

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ABOUT CLEARPATH

ClearPath (501(c)(3)) was established by businessman Jay Faison in 2014. ClearPath's vision is that America leads in affordably powering the world with reliable clean energy. ClearPath's mission is to develop and advance conservative policies that accelerate clean energy innovation. To advance that mission, ClearPath develops cutting-edge policy and collaborates with academics and industry. Learn more at clearpath.org. Follow us on Twitter: @JayFaison1, @powellrich, @ClearPathAction